



City of Berkeley



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April 29, 1986

To: Honorable Mayor and
Members of the City Council

From: Hal Cronkite, Acting City Manager

Subject: INCLUSION OF ITEM ON COUNCIL AGENDA FOR APRIL 29, 1986

The purpose of this memorandum is to request that you include the attached report entitled, Status of Berkeley Housing Authority, on Council's Agenda for April 29, 1986.

This report is in response to Council's inquiry of April 8, 1986 and is intended to supplement the report prepared by the Housing Authority Task Force.

Attachment

cc: City Clerk
Auditor
City Attorney
Agenda Coordinator
Assistant City Manager for
Planning & Community Development

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Berkeley Housing Authority



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FOR BOARD ACTION
April 29, 1986

To: Housing Authority Board
From: Hal Cronkite, Acting Executive Officer
Subject: STATUS OF BERKELEY HOUSING AUTHORITY (BHA)

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Introduction

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This report is provided to assist in the Berkeley Housing Authority Workshop. Due to a number of intersecting events, such as the research of the Department of Housing and Urban Development (HUD) auditors during the past six months, the Housing Authority Task Force's work, and the presence for three months of an Acting Director from the Santa Clara County Housing Authority, it is possible to provide the Board with an in-depth analysis of the problems facing the Authority. Briefly, although there are definite areas of strength, the BHA major problem areas at this time can be summarized as follows:

- Operational Issues: Although the BHA has finally achieved full lease-up, for the first time in its history, it has not been able to execute many of its daily operational responsibilities of lease-up, contract renewals, recertification and inspections. This is due to inadequate internal systems and procedures, inadequate to non-existent staff training and serious management problems prior to Spring of 1985.
- Regulatory Issues: The Authority has not been able to insure that federal regulations with respect to utility allowances, tenant rent calculations, and rent abatement are followed in each and every single case. Again, for the most part, this was caused by the lack of internal BHA central systems, and inadequate staff training, as well as poor supervision at the first line level. (These issues are addressed in greater detail in the attached HUD Audit.
- Programmatic and Service Delivery Issues: Although there has been considerable positive movement in this area in the last year, the Authority is moving slowly in implementing new programs such as the Vouchers and Self-Sufficiency. In addition, an area of continuing concern is outreach and contact with tenants and landlords.
- Management Issues: Although important progress has been made recently, the Authority still suffers from the lack of clear role definition for each staff member, the lack of an ongoing training program, and the lack of accurate reporting and control systems.

Actions Underway

The major activities over the past several months to correct the above problems are: (See Attachment 1 for an Action Plan for all recommendations.)

1. Function of Change Agent Group: To work on the underlying problems of the Housing Authority while at the same time conducting on-going business, a small group of staff has been assembled to work on developing:
 - A training plan for BHA supervisors and all staff;
 - Revised processing systems and procedures;
 - Tracking and control systems, and accurate weekly and monthly reports;
 - An organizational chart, staffing plan, performance standards;
 - Conversion to automated system;
 - Revisions to BHA Administrative Plan and other actions.
2. Staffing Actions: During the last several months, a series of temporary staffing actions have been taken to replace departed staff, and to provide additional staffing to the BHA to work on backlogs.

The remainder of the report describes each of the above areas in greater detail. Also attached is a draft Action Plan, and the HUD audit which was received last week. The action plan addresses actions necessary to resolve some of the HUD findings where staff concurs with the HUD recommendations.

RECOMMENDATION

It is recommended that the Board endorse the thrust of the Action Plan, and that it request a workshop to update itself on progress against the action plan in six months.

BackgroundA. OPERATIONAL ISSUES1. Lease-up

This is the only area where the Housing Authority is on target. For the first time since the Housing Authority began to convert to the Section 8 program in 1976 and 1977, the Housing Authority is at 95% occupancy. This is extremely important for the financial stability

of the program. There are still however, some internal problems or areas where the work could be streamlined, with respect to follow-up and control systems for lease up.

- Maintenance of Tenant Inquiry List: Maintenance of an on-going list of prospective tenants who have expressed an interest in participating in the subsidized housing programs is currently being done manually, resulting in inefficient capabilities to rank by priorities, duplication of entries and limited ability to readily update and research pertinent tenant information when tenants call in.

CORRECTIVE ACTION RECOMMENDED: Automating this system would facilitate the process of tenant notification while concurrently enabling staff to more readily identify families requiring a specific bedroom size, avoid duplication of families entered manually, update tenant information and more readily research specific records as may be necessary. The automation system through Oakland Housing Authority does not include this capability. However, the LOTUS 1-2-3 software program and TAVA computer should be adequate to accommodate this objective. Fields to be recorded include tenant name, number, family size and address.

ACTIVITIES CONDUCTED TO DATE: Housing Authority staff have begun to require interested tenants to fill out an address label in order to facilitate the task of mailing out notices when applications are opened up. Staff is also exploring the potential for using LOTUS or other software package for integrating the tenant inquiry data base with the processing of mailing labels.

- Applicant Waiting List: The present control system is inadequate for the purposes of identifying rank and priority of candidates having submitted applications, pending availability of certificates to be issued. The problem is compounded by the lack of systems/procedures to track status of applicant waiting list (i.e., whether certificate was issued or eligibility complete and verified). Although some information regarding the applicant's eligibility has been put in the computer and is retrievable from Oakland, it is not adequate for close monitoring.

CORRECTIVE ACTION RECOMMENDED: Procedures need to be developed to insure accurate and accountable tracking of applicants. Objectives of these procedures should include the ability to immediately retrieve data regarding a client's priority ranking, bedrooms size need, and date/time of application; determine whether or not application is complete or on hold due to incompleteness. This activity could be accomplished by using

LOTUS 1-2-3 and its data base application. Staff will begin to work on this within 30 days. In addition, eligibility unit staff will be trained in using LOTUS to regularly update, purge and add to the existing data base, thereby providing on-going capability to maintain accurate data on the status of active applications on file.

ACTIVITIES CONDUCTED TO DATE: Change Agent staff has met with BHA staff and all are in agreement with the recommendation.

- Lease Up Reports: There is a lack of coordination among the different reporting systems currently maintained by the Eligibility Branch and Administrative Services which deter the objective of obtaining clear data to assist in determining when to issue certificates, how many to issue and by what bedroom size, and when to open the application process. The problem is compounded by the lack of clear and consistent standards by which data is to be represented which results in incorrect or misleading statistical reports.

CORRECTIVE ACTION RECOMMENDED: It is proposed that a centralized statistical reporting system be adopted for compiling and reporting data pertaining to program operations (eligibility unit), and that it be the responsibility of the Eligibility Unit to provide this report. These data include the number of units under lease, the number of new contracts and contract terminations for a given period of time, the number of certificates and RLA's outstanding, and the number of applications currently on file. The reporting system will further provide a breakdown of these areas by bedroom size. This would be done on LOTUS 1-2-3.

ACTIVITIES CONDUCTED TO DATE: The revised statistical report form will be implemented immediately and on a weekly basis. Meetings have been held with staff from Eligibility Unit and have identified the necessary actions to begin the report manually. Change Agency staff are now developing the LOTUS program. When completed, the Eligibility staff will be trained in how to use it.

- Request for Lease Approval Problems: There is a lack of coordination between Eligibility Branch and Leased Housing Branch to insure timely follow-up in the processing of RLA's. Both units are integrally involved in the various stages of RLA processing, yet no unit currently has been assigned primary responsibility for their follow-up. This has resulted in the lack of any RLA tracking system and the lack of clear staff roles in the various stages of RLA processing.

CORRECTIVE ACTION RECOMMENDED: RLA procedures need to be developed in order to streamline process and prevent processing delays. Procedures should specify routing processes and responsibilities for drawing up contract, contacting owners and verifying eligibility. Policy directives which need formal adoption include conditions for granting extension of certificates and timetables for clearing a unit for participation in the program. Centralized tracking of RLA's (from initial receipt to execution of a contract) will be assigned to the Eligibility Unit. An RLA tracking log, along with specific staffing responsibilities has not yet been finalized. However, due to the apparent inadequacies of the current practices, which are resulting in unacceptable delays in RLA processing and misplaced RLA folders. Staff has assigned this matter a high priority.

ACTIVITIES CONDUCTED TO DATE: Change Agency staff have begun discussion with the operational staff to see how best this can be worked out.

2. Recertifications, Inspections and Contract Renewals

Recertifications: This area has been a problem since 1980, and it is also an audit finding. BHA must do 100% a year in order to recertify tenant income. However, the reporting system had, from 1982 to 1985, overreported the number done. A special audit authorized in March, 1985 reported that only 55% had been completed during the calendar year of 1984. Enormous efforts were made by the Acting Division Director from May, 1985 onward, and in the calendar year 1985, 86% of the cases were completed. As of April 18, 1986, however, only 49% of the recertifications due were completed. This was due to the effect of staff turnover and massive absenteeism.

Inspections: The actual number of inspections done in the field continues at a rate between 80% and 90%, although the auditors argue that this figure has been inflated by the enormous number of RLA's that were done to achieve lease-up. The problem here is that although the percentage of field visits is high, the number of units that actually pass the Housing Quality Standards is lower. Please see the next section, "Regulatory Issues, 4. Abatement and Termination of Contracts," for a more complete discussion of the regulatory aspects of this problem and the solution.

Contract Renewals: This area has had serious and sustained backlogs over the past five years. Although staff had indicated that vast improvements were made for the calendar year ending in December of

1984, given the poor performance in 1985 of this work element and the unreliable state of the reporting systems for 1984, this cannot be trusted per se.

Performance during 1985 was alleged to be 20%. In addition, performance dropped drastically to 4% during the first quarter of 1986, due in part to the fact that two out of the three inspectors were out of the office ill for much of this period. A contributing factor to the low statistics might also be that since the fall of 1985 management has insisted that contracts only be counted as completed when the Fiscal Data card goes forward, that is, when the owner has signed. The underlying causes of these problems lie with inadequate middle management below the level of Division Director, inadequate to non-existent control and tracking systems, and inadequate role definition on the part of operational staff. More specifically, the problems in this area include lack of timely interface with recertification/inspections/contract renewal processes; lack of adequate controls to track status of incomplete renewals or adherence to HUD established timetables; lack of follow-through when units do not clear inspection or when recertifications are incomplete; lack of standard operational procedures for initiating/following-up on abatements and for terminating owner contracts and withdrawing tenants from the program in conformance with HUD guidelines.

CORRECTIVE ACTION RECOMMENDED: A concise tracking system should be developed with the following objectives in mind: to enable staff to track status of unit inspections, tenant recertifications and contract renewals; to enable staff to prepare in a timely manner and follow-up on notices of abatement, termination and tenant withdrawals; to enable eligibility unit to immediately identify vacancies in order to initiate certificate issuance; to provide accurate data for statistical reports to supervisory staff and ACM. To implement this, the clerical functions will need to be divided into those associated with inspections and re-exams, and those associated with contract renewals.

It is also recommended that the BHA expedite the review of HUD requirements for contract renewals with the eventual goal of issuing a standard policy directive on how renewals are to be processed. Issues which need addressing include determining rent reasonableness, adequacy of existing HAP contracts and leases, conducting control inspections, standard abatement/hold/termination procedures, clearing units by phone rather than reinspections, and criteria for granting annual increases. It is further recommended that an action plan be formalized to insure that the various issues are addressed and that responsibilities are clarified.

ACTIVITIES CONDUCTED TO DATE:

- 1) Change Agent staff have discussed the recommendations with operating staff and all are in readiness to make the changes.
- 2) Preparation of a tracking log and designation of specific clerical reassignments are on hold pending approval of this recommendation. In addition, it is anticipated that the NAHRO training on Hands On Occupancy, May 1-2 in Los Angeles, will provide Housing Authority staff with concrete direction in which to formalize an action plan in pursuit of contract renewal procedures which are in compliance with HUD regulations.
- 3) Staff from other parts of PCD have been reassigned temporarily to assist in reducing the backlog.

B. REGULATORY ISSUES

1. Utility Allowance Schedule: No review or recalculation of utility schedule has accrued since 1982, as required by Federal Regulations. The Federal auditor estimated that Section 8 tenants would have been overcharged by approximately \$218,000 for this Fiscal Year, if we had not updated our schedule last month in the middle of the Fiscal Year. This is not a problem unique to Berkeley however.

Action Taken: Upon learning of the problem from HUD auditors in December, the Housing Authority developed an emergency priority to immediately update the schedule. Board approval was obtained in mid March. Adjustments to individual tenants will be calculated once the automation is completed.

2. Tenant Portion of the Rent Increased Prematurely: Federal Regulations, effective August 1981, required that the tenant's portion of the rent be increased from 25% to 30% of gross income. The regulations required this to be done in increments of 1% each fiscal year until the maximum of 30% was attained. The Housing Authority increased rents from 25% to 30% effective in 1982, without utilizing the correct procedure. The solution of this problem is exacerbated by the fact that many recertifications were not done during these years and therefore the correct income data is not available.

Action Recommended: The rebates will be calculated after the automation is in place.

3. Tenant Rent Calculations - Federal Regulation Change in Computation of Rent (October 1, 1984): Effective October 1984, Federal Regulations were revised with regard to the computation of tenant rent. In some cases, a rebate should have been given to the tenant. Although rents were computed correctly since October 1, 1984, the rebate portion of the calculation has not been completed. This is not a problem unique to Berkeley however.

Action to be Taken: This will be calculated once the automation is completed.

4. Abatement and Termination of Contracts: There are three categories:
- A. Housing Quality Standards violations which may require abatement procedures. Category A violations are those where there is immediate danger to health and safety. The BHA has always abated rent in these instances. Our problem, however, has been most recently with the Category B and Category C violations. Category B violations are those which could be a hazard and are abated after 30 days, while Category C violations can be extended an additional 15 days. These latter problems are things such as a broken window pane or mildew. Since May of 1985, the auditors indicate that there have been many units where the Housing Authority has not abated the rent after the 30 days for Category B or C violations. This has resulted in payment to owners for some units that do not meet the Housing Quality Standards. The auditors estimate that the Authority has overpaid \$97,000 to landlords. We will dispute this finding because we feel that in many cases the violations were not health and safety problems.

In addition to the observation by the auditors, the HAAB has asked for an investigation into the Channing Bonar Apartments and units at the Fairview and Ellis area because they feel that many of these units would fail the Housing Quality Standards. Codes and Inspection staff have inspected these units and have found code violations. A joint meeting of Codes and BHA staff was held in March to see why BHA staff have not flagged these units and to initiate abatement as necessary. Also, there is concern that there is drug traffic in these units and that BHA inspectors may have been intimidated into passing the units.

Part of the problem was the loss of the clerk who kept the log and who implemented the abatement procedures. Although her duties were assigned to another, the change in personnel, coupled with what the auditors stated was a change in philosophy not to terminate units if possible, may have contributed to the problem.

Action Taken:

- 1) The Housing Authority immediately re-instituted the rebate procedures upon being orally informed of the problem.
- 2) Codes and Inspection staff have met with the BHA staff, and BHA staff has attended a meeting of the HAAB. Rents have been abated where appropriate.

Action to be Taken: The problem of abating the rent and then having the landlord deliberately not repair the unit so that the Housing Authority would then terminate the unit is one that was identified last year. Although staff estimated that only a very few of the

terminated units were of this variety, this is a serious problem for the tenants. To rectify this problem, the BHA must develop procedures to put its portion of the rent into escrow to make the repairs so that it need not terminate the unit. A timetable for doing this will be developed in concert with the other policy changes recommended in this report.

C. PROGRAMMATIC ISSUES

1. Vouchers Program: The only vouchers the BHA has are associated with the Rental Rehab program. The BHA has not fully explored what the implications are for such a program in a rent control city. This is particularly urgent, however, since the President's plan is to convert the certificates to vouchers by 1988. The President's decision is supposedly based on a national vacancy rate of 6.8% which is felt justifies vouchers, which allow recipients to choose housing of any unit size, price and location.

Action to be Taken: As the operational problems with the Housing Authority are resolved, staff will begin examining the policy implications of this program and will begin actions to put us in a place to convert to the voucher program.

2. Self- Sufficiency: Our performance here has lagged considerably, despite much effort on our part. The HUD Washington representative in charge of the program has ranked our progress very poor. Specifically, they are concerned that we have not yet set up a adequate Task Force, and that we have not yet issued certificates for our 50 Self-Sufficiency units. Part of the difficulty in setting up the Task Force (which is to evaluate each applicant and assist them in finding a job) has been the Fair Representative Ordinance. Another part of the problem has been the overall difficulty in the application process, which has meant that the special energy to match up our applicants with the JTPA process was not there, and simply informing our certificate holders of the JTPA program did not work. Accordingly, the BHA abandoned that approach and we recruited JTPA applicants to apply for our program in December. There are two households presently under lease.

Actions Taken: BHA opened up applications for Project Self Sufficiency in December and will do the same again this month.

3. Homeless: The program regulations for the Section 8 Existing program have changed so that a PHA can now revise its Administrative Plan to permit the use of the certificates for single room occupancy hotels. We have been under some pressure to develop such changes. However, given the other problems faced by the Authority, we do not recommend we undertake at this time an effort which calls for the development of a new program.

Action to be Taken: BHA has approved the use of certificates for residential hotels so that they may be used with the Rental Rehab program. However, with respect to the regular Section 8 program, we not do recommend action at this time.

4. Housing Authority Task Force: This group has developed a number of programmatic recommendations which will require action. Most of the recommendations will be incorporated into our Action Plan.

D. MANAGEMENT ISSUES

1. Physical Plan and Safety: The safety and security for the offices are of such a nature that carrying out the daily task of program administration has been hindered. The staff does not have a parking area designated and presently must walk to an area that is known to have major problems. A counter, is also needed, as is private office space for the Division Director and disabled access bathrooms.

Actions Taken:

1. We have contracted with an architect to develop a floor plan and contract specifications for the counter and other improvements.
2. Police routinely check in now at the BHA during the day.
3. An in-house staff committee is exploring parking options.
4. Carpet holes have been repaired, the exterior of the building has been painted and exposed wire has been covered.

2. Staff Training

Lack of supervisory training has resulted in unclear directions and lack of support of staff and lack of control over work products. Lack of staff training has resulted in numerous computational errors, misunderstanding/misinterpretation of rules, and inconsistent application of program functions, as well as considerable frustration on the part of clients.

Corrective Action Recommended: Training opportunities need to be pursued in order for all staff to keep informed of HUD regulations and program directives. Continuous training will be necessary as new procedures, either internal or HUD mandated are developed or as policy issues are defined to establish consistent interpretation and implementation of these directives. Supervisory training is mandatory.

Activities to Date: A training plan is in the process of being developed. Most of the BHA staff (7 persons) went to a training session in January on the update of federal regulations. To date, supervisory staff has attended a supervisory orientation session, Iris Meeker is scheduled to attend a Project Self-Sufficiency conference and Troy McGehee and Ted Katayama are scheduled to attend a Hands On Occupancy workshop on May 1-2. A special course on all aspects of the Section 8 program for all BHA staff conducted by Nan McKay is being scheduled for the end of July.

3. Organizational Structure Role Definitions

There is a lack of clear definition as to roles and responsibilities among Housing Authority staff particularly in the area of follow-up on items pending resolution (i.e. abatements, terminations, units not clearing HQS, RLAs, incomplete recertifications). Contributing to this problem is the lack of or inconsistent policy directives as they pertain to specific programmatic activities. Staff turnover and absenteeism contributes to confusion about roles.

Recommended Action: Staff assignments should be made clear and in accordance with respective job classifications and operational needs. In particular, defined roles and responsibilities for following up on pending items need to be established in order to insure that corrective action or final resolution to matters on hold are effected. Performance standards and desk manuals need to be adopted for each position.

Contingency plans to insure adequate back-up during staff absences need formal adoption. Currently, there are two vacant Leased Housing Technician positions which need immediate filling. In addition, one Leased Housing Specialist is working only part time and both Leased Housing Supervisors are acting in these positions and are temporary. Development of certified lists for all three positions is of paramount importance to insure permanent hirings.

Action Taken: A draft organizational chart has been developed.
(See Attachment 2)

4. Personnel Actions

Presently many of the positions in the BHA are vacant or are filled temporarily. (See Attachment 2 for a listing.)

Action Taken: The BHA staff has submitted requisitions for all immediately needed vacancies. Staff will continue to monitor this area.

5. Possible Cuts in Administrative Fees

Neither the President's rescission of selected housing programs, nor the deferral of others will directly affect the Housing Authority's Section 8 Existing program. HUD is absorbing these cuts by cutting back new contract authority, which the BHA has not been eligible to receive because we have never been at 95% lease up until now. However it is reported that HUD will publish regulations reducing Section 8 fees to the same level as housing vouchers, which is 6.75% of the Section 8 two-bedroom units, instead of the present 7.5%. In addition, the President recommended that HUD should pay only half the allowed fee and to have the state or locality pick up the rest. We do not think this will pass.

Action Taken: The only way to absorb such a cut is to streamline processing through automation.

6. Outstanding Audit Items from 1976 to 1978

As you may remember, the Housing Authority erroneously issued an across the board rent increase which was against HUD regulations. This was the subject of an audit finding worth \$212,000 to the City. The BHA appealed this and the HUD Regional Office supported the BHA. It was then sent to HUD/Washington, where the forgiveness of the money was referred to the Justice Department. We are awaiting the decision of the Justice Department at this time.

7. Automation

The conversion of the BHA manual system to the automated system purchased from the Oakland Housing Authority has lagged in the last months. In January, the check production went on-line, and at this point all the tenant information on existing contracts has been put into the system as well. However, contract renewals, inspections, recertifications, and applications are still being processed and reported on manually. In addition, there is concern that the data in the system is not clear. Given both the money paid out each month to the OHA, and the additional budget cuts expected in the future, as well as the need for accurate and timely control and reporting systems, rapid and accurate use of this system is a high priority of the BHA at this time.

Action Taken: Pending full automation, current activities are underway which utilize the services of the one terminal on-line with Oakland. In addition, tasks are currently being performed or planned in order to facilitate conversion to automation upon hardware installation. These activities include the following:

- Housing Assistance Payment checks and pay adjustments are being processed from the fiscal date input conducted by Administrative Services.
- Staff is reviewing the accuracy of the anniversary date and team assignment fields currently recorded in computer. When discrepancies arise between computer printout and in-house manual systems, folders are reviewed to determine correct information. Computer data base is then corrected as necessary.
- Staff is purging computer data base of all terminated contracts to insure that only active contracts remain in data base.
- Pertinent information for new contracts are being input into the computer to maintain up-to-date listings of active contracts.
- An Action Plan specifying tasks and time frames for the remainder of the conversion (both for installation of hardware and programmatic conversion) has been prepared and is part of the attached Action Plan.

Financial Implications and Contact Person

Considerable
Vicki Elmer, 644-6073

Approved by:



Vicki Elmer, Assistant City Manager
Planning and Community Development

Attachments

1. Draft BHA Action Plan for Resolving Problems
2. Organizational Chart and Personnel Status
3. Letter from Arthur Kontura and HUD Audit

08-03

DRAFT

April 29, 1986

ACTION PLAN ACTIVITY LIST

A. ADMINISTRATIVE/MANAGEMENT

- A-1 Develop General Administrative Policies and Procedures
- A-2 Administrative Plan
- A-3 Tenant/Owner Outreach
- A-4 Annual Utility Allowances Update
- A-5 Informal Hearing Process
- A-6 Physical Renovations
- A-7 Automation: Conversion
- A-8 Automation: Hardware Installation
- A-9 Staffing
- A-10 Staff Training
- A-11 Project Self Sufficiency
- A-12 Housing Vouchers
- A-13 Single Room Occupancy

B. APPLICATIONS/ISSUING CERTIFICATES

- B-1 Application/Certificate Issuing Guidelines
- B-2 Request for Lease Approval

C. RECERTIFICATION

- C-1 Recertifications/General
- C-2 Implementation of 1984 Admendments re: Tenant Rent Determinations/Continued Eligibility Determinations
- C-3 Rent Rebates for Premature Raising of Rents
- C-4 Retroactive Utility Allowance Credits

D. CONTRACTS/INSPECTIONS

- D-1 Contract Renewals
- D-2 Rent Reasonableness and Comparability Determination
- D-3 Rent Abatements

BERKELEY HOUSING AUTHORITY

A-1

ACTION PLAN

Activity: REVISE AND DEVELOP GENERAL ADMINISTRATIVE POLICIES AND PROCEDURESDate Prepared: April 24, 1986

TASKS	RESPONSIBLE PARTY	PROJECTED TIME FRAME
1. Develop and implement office management procedures, e.g. time and attendance, office hours, and office conduct.	Chief, Leased Housing Supervisor	May 30, 1986
2. Develop manual tracking systems to complement computer tracking systems to ensure timely follow-up.	Analyst, Chief	June 15, 1986
3. Redraft standard lease and Housing Assistance Payments contract, tailored to meet local ordinance requirements and written in layperson's language.	Chief, Legal	May 15, 1986
4. Train staff to ensure consistent interpretation of lease and HAP contract terms.	Chief, Legal	May 30, 1986
5. Reorganize files.	Temporary Help, Chief, Leased Housing Supervisor	To be determined.
6. Clean out old files. (Identify those over 5 years of age, label, arrange for dumpster, arrange for appropriate staff to do dumping.)	Chief, Clerks	To be determined.
7. Develop comprehensive policies and procedures for BHA operations.	Chief, Analyst, Leased Housing Supervisor	June 30, 1986
8. Develop desk manuals for each job function.	Chief, Analyst, Leased Housing Supervisor	June 30, 1986
9. Develop and implement procedures for quality control monitoring.	Chief, Analyst, Leased Housing Supervisor	

BERKELEY HOUSING AUTHORITY

A-2

ACTION PLAN

Activity: ADMINISTRATIVE PLANDate Prepared: April 24, 1986

TASKS	RESPONSIBLE PARTY	PROJECTED TIME FRAME
1. Revise Administrative Plan	Chief, Analyst, Board	June 30, 1987
a. Section 8 Existing		June 30, 1987
* Annual contributions contract; schedule of leasing.		
* Public notice to lower-income families.		
* Activities to encourage participation by owners and others.		
* Grounds for denial or termination of assistance.		
* Maintenance, operation and inspections.		
* Reexamination of family income and composition.		
* Overcrowded or oversized units.		
* Adjustment of allowance for utilities and other services.		
* Informal review or hearing.		
* HUD review of contract compliance.		
b. Housing Voucher Program		June 30, 1987
c. Project Self-Sufficiency		June 30, 1987
d. Single Room Occupancy		June 30, 1987

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BERKELEY HOUSING AUTHORITY

A-3

ACTION PLAN

Activity: TENANT/OWNER OUTREACH

Date Prepared: April 24, 1986

TASKS

RESPONSIBLE PARTY

PROJECTED TIME FRAME

1. Develop Information Fact Sheet.

Chief, Community Services
Specialist

June 1, 1986

2. Purchase Slide Presentation on Section 8.

Chief

June 30, 1986

3. Restructure Format and Procedures for Section 8 Briefings.

Chief, Community Services
Specialist

July 30, 1986

4. Revise Section 8 Briefing Packet to meet Federal Requirements.

Community Services
Specialist

July 30, 1986

5. Revise Section 8 Applicants Reference Guide.

Community Services
Specialist

September 15, 1986

6. Publish Quarterly Newsletter.

Chief, Leased Housing
Supervisor, Community
Services Specialist

July 30, 1986

7. Train Staff on Briefing Procedures.

Chief, Leased Housing
Supervisor, Community
Services Specialist

September 15, 1986

8. Develop and Implement Outreach Program to Property Owners.

Chief, Leased Housing
Supervisor, Community
Services Specialist

September 30, 1986

* Make presentations to Berkeley Board of Realtors, Berkeley
Property Owners Association, the Apartment House Association,
etc.

ACTION PLAN

Activity: TENANT/OWNER OUTREACHDate Prepared: April 24, 1986

TASKS

RESPONSIBLE PARTY

PROJECTED TIME FRAME

- * Send flyers and information sheets to owners via organizations listed above and Rent Stabilization Board mailings.

9. Hold special tenant/owner meetings to explain revisions in BHA procedures, answer questions, etc.

Chief, Leased Housing
Supervisor, Community
Services Specialist

September 30, 1986

10. Determine which materials should be translated into Spanish and Asian languages; arrange for translation services.

Chief, Leased Housing
Supervisor, Community
Services Specialist

July 30, 1986

DRAFT

BERKELEY HOUSING AUTHORITY

A-4

ACTION PLAN

Activity: ANNUAL UTILITY ALLOWANCES UPDATE

Date Prepared: April 24, 1986

TASKS

RESPONSIBLE PARTY

PROJECTED TIME FRAME

1. Work with P.G.& E. and City Energy Office, and Oakland Housing Authority to develop method for annually updating utility allowance.
2. Track the next annual utility allowance update to ensure that all actions are accomplished in a timely manner.

Leased Housing Supervisor,
Analyst, Energy Officer

December 30, 1986

Analyst, Energy Officer

March 18, 1987

DRAFT

BERKELEY HOUSING AUTHORITY

A-5

ACTION PLAN

Activity: INFORMAL HEARING PROCESS

Date Prepared: April 24, 1986

TASKS

RESPONSIBLE PARTY

PROJECTED TIME FRAME

- | | | |
|---|-------------------------------|---------------|
| 1. Obtain Oakland Housing Authority and Alameda County Legal Aid drafts and models for the Hearing Process. | Analyst | June 1, 1986 |
| 2. Tailor models to meet Federal Regulations and Berkeley requirements; draft BHA procedures. | Chief, Analyst | July 1, 1986 |
| 3. Appoint Hearing Officer(s). | Chief, Assistant City Manager | July 1, 1986 |
| 4. Train staff and Hearing Officer(s). | Chief | July 15, 1986 |
| 5. Implement procedures. | BHA staff | July 15, 1986 |

DRAFT

BERKELEY HOUSING AUTHORITY

ACTION PLAN

A-6

Activity: Physical Renovation

Date Prepared: April 29, 1986

TASKS	RESPONSIBLE PARTY	PROJECTED TIME FRAME
1. Develop comprehensive list of improvements needed.	City Manager's Office, Chief	April 30, 1986
2. Develop floor plan including space utilization and equipment layout plans.	Apollo Construction, C&D Chief	April 30, 1986
2 Obtain specifications and cost estimates.	Apollo Construction, C&D Chief	May 2, 1986
4. Determine improvement priorities and items to be included in bid advertisement based upon money available.	Chief, all staff	May 9, 1986
5. Initiate bid solicitation procedures.	Purchasing Officer	May
6. Select bid.	Purchasing Officer	
7. Begin construction.	Contractor	
8. Complete improvements.	Contractor	

BERKELEY HOUSING AUTHORITY

DRAFT

ACTION PLAN

Activity: AUTOMATION: CONVERSIONDate Prepared: APRIL 24, 1986

TASKS

RESPONSIBLE PARTY

PROJECTED TIME FRAME

1. Continue to enter new contracts into conversion screen and purge data base of terminated contracts. BHA clerical staff on-going
2. Continue to stockpile contract renewal and recertification entry forms until conversion stage is completed and verified. BHA clerical staff on-going
3. Develop internal procedures and systems and specify staff responsibilities in order to sustain parallel conversion on an interim basis, and to eventually effect total conversion. Analyst on-going
4. Determine cancelled, expired, and terminated contracts; enter cancelled dates and reasons into computer. BHA staff on-going
5. Locate, identify or set up folders for units which are receiving Housing Assistance Payments, but are not yet entered into computer and enter into conversion screens. Leased Housing Unit April 24 - May 9
6. Codify BHA utility codes and enter into computer system (if necessary). Analyst/OHA May 26-28
7. Conduct initial training session for "live" file screens which includes how to effect rent determination, a new GFC, and contract renewals. OHA June 2-6
8. Enter backlog of recertification and contract renewal information into computer as well as contract changes. BHA clerical staff June 9-20

BERKELEY HOUSING AUTHORITY

DRAFT

A-7 (CONTINUED)

ACTION PLAN

Activity: AUTOMATION: CONVERSION

Date Prepared: APRIL 24, 1986

TASKS

RESPONSIBLE PARTY

PROJECTED TIME FRAME

9. Verify reliability of BHA data base and assess staff adaptability to automation in order to determine potential for interfacing HA input system with that of Administrative Services. BHA staff/Analyst
10. Review output capabilities; consult with OHA to determine needs for altering screens. BHA staff/Analyst

June 23-27

June 30 - July 4

2
w

BERKELEY HOUSING AUTHORITY

A-8

ACTION PLAN

Activity: AUTOMATION: HARDWARE INSTALLATIONDate Prepared: April 24, 1986

TASKS	RESPONSIBLE PARTY	PROJECTED TIME FRAME
1. Obtain revised floor plan from Apollo Construction Co.	BHA/Cand D	April 29, 1986
2. Identify potential locations for computer terminals and printers.	BHA staff/Analyst	May 8, 1986
3. Effect RJ11 looking to bring lease line from basement to first floor.	Public Works	May 8-16
4. Install eight cable lines.	Public Works	May 8-16
5. Install terminal/printer connectors.	Public Works/ OHA staff	May 19-21
6. Relocate two terminals, one printer and communications device from main office to Housing Authority.	OHA/BHA	May 21-23
7. Install modem in Administrative Services to bring terminal on-line with OHA.	OHA/BHA	May 21-23

BERKELEY HOUSING AUTHORITY

DRAFT

A-9

ACTION PLAN

Activity: STAFFING

Date Prepared: April 24, 1986

TASKS

RESPONSIBLE PARTY

PROJECTED TIME FRAME

1. Identify staff resources necessary for maintenance of effort.

Chief

on-going

2. Identify staff resources needed to deal with backlog.

Chief

May 31, 1986

3. Work with Personnel to adopt certified list for career positions currently vacant or occupied by temporary personnel. (Chief of Housing Authority, Leased Housing Technician, Leased Housing Specialist, Accounting Technician)

Chief

June 30, 1986

4. Develop performance standards for all staff and revise as necessary.

Chief, Analyst

September 30, 1986

5. Revise staffing plan as necessary based upon adopted policies and procedures.

Chief

December 1, 1986

6. Complete Personnel Evaluations on a timely basis.

Chief, Leased Housing Supervisors

on-going

ACTION PLAN

Activity: STAFF TRAININGDate Prepared: April 24, 1986

TASKS	RESPONSIBLE PARTY	PROJECTED TIME FRAM
1. Conduct Training Needs Assessment.	Chief, Training Officer	May 30, 1986
2. Develop Individual Training Plans.	Training Officer	June 15, 1986
3. Identify Training Resources.	Training Officer	June 15, 1986
4. Develop Training Schedule for FY 1986-87.	Chief, Training Officer	July 1, 1986
5. Provide Training in the following General Areas:		
a. Lease & HAP Contract	Chief, Legal	May 30, 1986
b. Section 8 policies and procedures. (Comprehensive course, monthly seminars, and instruction on BHA revised procedures)	Chief, Consultant, Analyst	July 30, 1986 and on-going
c. Computer training.	Analyst	To be determined.
d. Supervisory Responsibilities and Techniques	Training Officer	April 23, 1986
e. Report and Letter Writing	Training Officer, Consultant	To be determined.
f. Problem Definition and Resolution	Training Officer, Consultant	To be determined.
g. Work Flow Management	Training Officer, Consultant	To be determined.

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BERKELEY HOUSING AUTHORITY

ACTION PLAN

A-10 (CONTINUED)

Activity: STAFF TRAINING

Date Prepared: April 24, 1986

TASKS

RESPONSIBLE PARTY

PROJECTED TIME FRAME

h. Customer Service Management

Training Officer,
Consultant

To be determined.

i. Stress Management

Training Officer,
Consultant

To be determined.

49

1986

86

ACTION PLAN

Activity: Project Self-SufficiencyDate Prepared: April 28, 1986

TASKS

RESPONSIBLE PARTY

PROJECTED TIME FRAME

- | | | |
|--|--|--------------------|
| 1. Prepare Board Report to open up applications. | Leased Housing Supervisor,
Chief | April 15, 1986 |
| 2. Train staff. | Leased Housing Supervisor,
HUD | May 8, 1986 |
| 3. Perform program outreach. | Leased Housing Supervisor,
Chief, Clerks | May 7, 1986 |
| 4. Process applications. | Leased Housing Supervisor,
Clerks | May 15, 1986 |
| 5. Convene Project Self-Sufficiency Task Force. | Leased Housing Supervisor,
Chief | May 15, 1986 |
| 6. Issue Certificates. | Leased Housing Supervisor,
Clerks | May 30, 1986 |
| 7. Develop policies and procedures. | Leased Housing Supervisor,
Chief, Analyst | June 30, 1986 |
| 8. Develop desk manual. | Leased Housing Supervisor,
Chief, Analyst | September 30, 1986 |
| 9. Provide follow-up services to Project Self-Sufficiency tenants. | Leased Housing Supervisor,
Chief, Analyst | September 30, 1986 |

A-12

BERKELEY HOUSING AUTHORITY

DRAFT

ACTION PLAN

Activity: Housing Vouchers/Rental Rehabilitation

Date Prepared: April 28, 1986

TASKS

RESPONSIBLE PARTY

PROJECTED TIME FRAME

1. Develop policies and procedures.

Chief, Leased Housing
Supervisor, Analyst

To be determined.

2. Develop desk manuals.

Chief, Leased Housing
Supervisor, Analyst

To be determined.

3. Train staff.

Chief, Leased Housing
Supervisor, Analyst

To be determined.

4. Implement procedures.

Chief, Leased Housing
Supervisor, Analyst

To be determined.

BERKELEY HOUSING AUTHORITY

A-13

ACTION PLAN

Activity: SINGLE ROOM OCCUPANCYDate Prepared: April 28, 1986

TASKS	RESPONSIBLE PARTY	PROJECTED TIME FRAME
1. Research policy issues.	Analyst, Chief	March 31, 1987
2. Prepare Board report for action on policy issues.	Analyst, Chief	June 30, 1987
3. Develop policies and procedures.	Analyst, Chief	June 30, 1987
4. Develop desk manuals.	Analyst, Chief	June 30, 1987
5. Train staff.	Analyst, Chief	June 30, 1987

BERKELEY HOUSING AUTHORITY

DRAFT

B-1

ACTION PLAN

Activity: APPLICATION/CERTIFICATE ISSUING GUIDELINESDate Prepared: April 24, 1986

TASKS

RESPONSIBLE PARTY

PROJECTED TIME FRAME

1. Develop procedures for maintenance of prospective tenant inquiry list to facilitate notification process.
2. Establish procedures to maintain accurate and up-to-date applicant pool by priority and bedroom size.
3. Establish statistical reporting mechanism to use in projecting lease-up needs and trends and identify when applications should be opened up.
4. Maintain tracking system to track status of certificate once issued.
5. Automate application process.
6. Establish policy and procedures for extending certificate term.
7. Train staff in process and computer input.
8. Develop procedures for opening up applications and streamline application/intake process.
9. Implement procedures.

Analyst, Leased Housing
Supervisor, Chief

May 15, 1986

Analyst, Leased Housing
Supervisor, Chief

May 15, 1986

Analyst, Leased Housing
Supervisor, Chief

May 15, 1986

Leased Housing Supervisor
Chief

May 15, 1986

Analyst, Leased Housing

June 15, 1986

Analyst, Leased Housing
Supervisor, Chief

June 15, 1986

Analyst, Leased Housing
Supervisor, Chief

June 15, 1986

Analyst, Leased Housing
Supervisor, Chief

June 15, 1986

BHA staff

June 15, 1986

BERKELEY HOUSING AUTHORITY

B-2

ACTION PLAN

Activity: Request for Lease ApprovalDate Prepared: April 28, 1986

TASKS	RESPONSIBLE PARTY	PROJECTED TIME FRAME
1. Develop Request for Lease Approval procedures to streamline the process and prevent processing delays.	Analyst, Leased Housing Supervisor, Chief	May 30, 1986
2. Develop Request for Lease Approval tracking system.	Analyst, Leased Housing Supervisor, Chief	May 30, 1986
3. Train Staff.	Analyst, Leased Housing Supervisor, Chief	May 30, 1986
4. Implement procedures.	Leased Housing Supervisor, Leased Housing Specialists, Clerks	June 7, 1986

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BERKELEY HOUSING AUTHORITY

C-1

ACTION PLAN

Activity: RECERTIFICATIONS/GENERAL

Date Prepared: April 24, 1986

TASKS

RESPONSIBLE PARTY

PROJECTED TIME FRAME

1. Develop policies and procedures for conducting reexaminations.

Analyst, Leased Housing
Supervisor, Chief

September 15, 1986

2. Train staff.

Chief, Consultant

September 15, 1986

3. Identify recertification backlog and determine appropriate disposition.

Chief, Leased Housing
Supervisor, Analyst

September 15, 1986

4. Identify staff resources to handle backlog.

Chief, Leased Housing
Supervisor, Analyst

September 15, 1986

5. Establish and implement internal controls that will ensure all tenants are reexamined at least annually.

Chief, Leased Housing
Supervisor, Analyst

September 15, 1986

DRAFT

BERKELEY HOUSING AUTHORITY

C-2

ACTION PLAN

Activity: IMPLEMENTATION OF 1984 AMENDMENTS RE: TENANT RENT DETERMINATIONS/CONTINUED ELIGIBILITY DETERMINATIONS

Date Prepared: April 24, 1986

TASKS	RESPONSIBLE PARTY	PROJECTED TIME FRAME
1. Develop procedure to implement 1984 Housing Act Amendments affecting tenant eligibility.	Analyst, Leased Housing Supervisor	September 15, 1986
2. Train staff.	Analyst, Leased Housing Supervisor	September 15, 1986
3. Implement procedures at time of next annual or interim recertification retroactive to October 1, 1984.	Identify staff resources	September 15, 1986
4. Train staff.	Leased Housing Supervisor Chief	September 15, 1986
5. Utilize form 50058.	Leased Housing Supervisor, Leased Housing Tech.	September 15, 1986
6. Train staff.	Leased Housing Supervisor, Chief	September 15, 1986
7. Implement HUD regulations re: illegal aliens.	Leased Housing Supervisor, Leased Housing Tech.	September 15, 1986

DRAFT

C-3

BERKELEY HOUSING AUTHORITY

ACTION PLAN

Activity: RENT REBATES FOR PREMATURE+ RAISING OF RENTS

Date Prepared: April 24, 1986

TASKS	RESPONSIBLE PARTY	PROJECTED TIME FRAME
1. Develop and refine methods for calculating rebates due for fixed income tenants. 1a) Call appropriate agencies, e.g., Social Security, Social Services Department, EDD, to determine increase ratios for monthly grants during the past four years. 1b) Devise rebate schedule for fixed income tenants.	Analyst, Chief, Administrative Services	October 15, 1986
2. Determine method to use for non-fixed income tenants. 2a) Identify, if possible, the number of non-fixed income tenants.	Analyst, Chief, Administrative Services	October 15, 1986
3. Develop internal procedures and forms to be used.	Analyst, Chief, Administrative Services	October 15, 1986
4. Identify and arrange for additional staff resources to calculate rebates.	Analyst, Chief,	October 15, 1986
5. Train staff.	Analyst, Chief, Administrative Services	October 15, 1986
6. Implement procedures.	Analyst, Chief Administrative Services	October 15, 1986

BERKELEY HOUSING AUTHORITY

DRAFT

C-4

ACTION PLAN

Activity: RETROACTIVE UTILITY ALLOWANCE CREDITSDate Prepared: April 24, 1986

TASKS

RESPONSIBLE PARTY

PROJECTED TIME FRAME

- | | | |
|---|--|-------------------|
| 1. Develop utility allowance schedule for period from March 18, 1985 to March 18, 1986. | Energy Office, Analyst | December 15, 1986 |
| 2. Identify affected contracts at the time of annual or interim reexamination occurring after March 18, 1985. | Leased Housing Tech.,
Clerks | December 15, 1986 |
| 3. Identify terminated contracts which may have been affected. | Clerks | December 15, 1986 |
| 4. Develop method to calculate utility allowance rebate, if any, at the time of reexamination. | Analyst, Leased Housing
Supervisor, Chief | December 15, 1986 |
| 5. Train staff in methods to be used. | Analyst, Chief | December 15, 1986 |
| 6. Implement procedures. | Leased Housing Tech. | December 15, 1986 |

DRAFT

BERKELEY HOUSING AUTHORITY

D-1

ACTION PLAN

Activity: CONTRACT RENEWALS

Date Prepared: April 24, 1986

TASKS	RESPONSIBLE PARTY	PROJECTED TIME FRAME
1. Determine backlog for inspections and contract renewals.	Analyst, Chief, Leased Housing Supervisor, Temporary Help	May 30, 1986
2. Research policy issues for handling of the backlog and ensuring parity of contract rents.	Analyst, Chief, Leased Housing Supervisor	June 15, 1986
3. Project and arrange for staffing necessary to manage backlog.	Analyst, Chief, Leased Housing Supervisor	June 15, 1986
4. Develop policies and procedures to ensure that inspections and contract documents are completed in a timely manner.	Analyst, Chief, Leased Housing Supervisor	June 15, 1986
5. Draft written materials and letters for owners and tenants regarding the inspection/contract renewal process.	Analyst, Chief, Leased Housing Supervisor	September 15, 1986
6. Develop procedures for annual adjustments to contract rents and rent reasonableness determinations.	Analyst, Chief, Leased Housing Supervisor, Consultant	September 15, 1986
7. Train staff.	Analyst, Chief, Leased Housing Supervisor, Consultant	September 15, 1986
8. Implement procedures.	Leased Housing Specialist	October 1, 1986
9. Institute procedure for quality control monitoring of at least 5% of units inspected.	Chief, Leased Housing Supervisor	October 1, 1986

BERKELEY HOUSING AUTHORITY

D-2

ACTION PLAN

DRAFT

Activity: RENT REASONABLENESS AND COMPARABILITY DETERMINATIONDate Prepared: April 24, 1986

TASKS

RESPONSIBLE PARTY

PROJECTED TIME FRAME

- | | | |
|--|---------------------------|----------------|
| 1. Conduct rent survey of the approximate 1,300 Berkeley rental units which are exempt from Rent Control and are not rented through Section 8. | Consultant, Analyst | March 30, 1987 |
| 2. Conduct rent survey of comparable units in neighboring localities, e.g. Albany, Oakland, and Emeryville. | Consultant, Analyst | March 30, 1987 |
| 3. Determine which method is most appropriate to use for determining rent comparability. | Analyst, Chief, Board | March 30, 1987 |
| 4. Develop procedures. | Analyst, Chief | April 30, 1987 |
| 5. Train staff. | Analyst, Chief | May 15, 1987 |
| 6. Implement procedures. | Leased Housing Specialist | May 15, 1986 |

D-03

BERKELEY HOUSING AUTHORITY

ACTION PLAN

DRAFT

Activity: RENT ABATEMENTS

Date Prepared: April 24, 1986

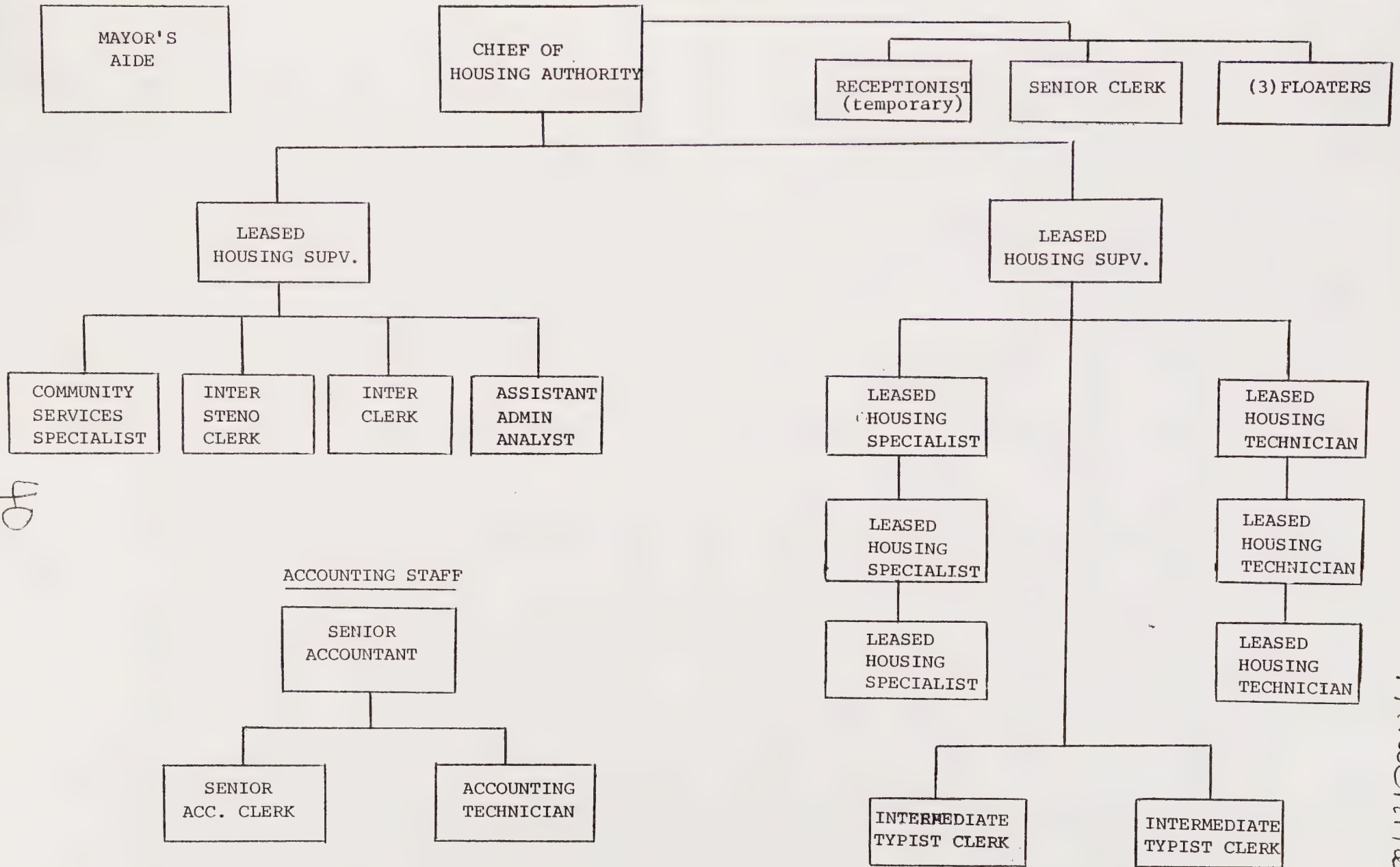
TASKS

RESPONSIBLE PARTY

PROJECTED TIME FRAME

- | | | |
|--|---|---------------|
| 1. Revise internal policies and procedures for rent withholding and abatement. | Analyst, Chief, Leased Housing Specialist | May 31, 1986 |
| 2. Develop tracking system so that Berkeley Housing Authority adheres to time frames for corrective action. | Analyst, Chief, Leased Housing Specialist | May 31, 1986 |
| 3. Revise informational materials and letter to ensure notification of Berkeley Housing Authority actions to both landlords and tenants. | Analyst, Chief, Leased Housing Specialist | June 15, 1986 |
| 4. Train staff. | Analyst, Chief, Leased Housing Specialist | June 15, 1986 |
| 5. Implement procedures. | BHA staff | June 15, 1986 |

DRAFT ORGANIZATION CHART*



*Final determination of clerical staff to be made upon final design of internal tracking and management systems.

April 25, 1986

Attachment 2

BHA STAFFING ANALYSIS

<u>STAFFING AUTHORIZED</u>	<u>CURRENT STATUS</u>				
	<u>FY 1985-86</u>	<u>FY 1986-87</u>	<u>PERMANENTLY FILLED</u>	<u>TEMP. FILLED</u>	<u>TEMP. VACANT</u>
Chief Housing Authority					
1. (Sharon Brown)	X	X		X	
Senior Clerk					
2. (Pat Carey)	X	X		P	
Intermediate (Data Entry) Clerk					
3. (Jacques Cornell)	X	X		X	
Leased Housing Supervisor					
4. (Iris Meeker)	X	X		X	
Administrative Analyst					
5. (Tia Ingram)	X	X	X		X
Community Services Specialist					
6. (Sharon Young)	X	X		P	
Intermediate Clerk					
7. (Marge Fisher)	X	X		P	
Intermediate Steno Clerk					
8. (Wanda Williams)	X	X	X		
Leased Housing Supervisor					
9. (Troy McGehee)	X	X		X	
Leased Housing Specialist					
10. (Gloria Garza)	X	X	X		X
Leased Housing Specialist					
11. (Eva Ybarra)	X	X	X		
Leased Housing Specialist					
12. (Richard Simmons)	X	X	X		
Leased Housing Technician					
13. (Sandra Bailes)	X	X	X		X
Leased Housing Technician					
14. (Hank Silver)	X	X	X		
Leased Housing Technician					
15. (Troy McGehee)					X

BHA STAFFING ANALYSIS

Page 2

<u>STAFFING AUTHORIZED</u>	<u>CURRENT STATUS</u>				
	<u>FY 1985-86</u>	<u>FY 1986-87</u>	<u>PERMANENTLY FILLED</u>	<u>TEMP. FILLED</u>	<u>TEMP. VACANT</u>
Intermediate Typist Clerk 16. (Kathy Dworkin)	X	X	X		
Intermediate Typist Clerk 17. (Gloria Adkins)	X	X	X		
Senior Account Clerk 18. (Florene Hunter)	X	X	X		
Senior Accountant 19. (Filomena Esparrago)	X	X	X		
Accounting Technician 20. (Jean Neher)	X	X	X		
TOTALS	20	20	13	7	4

OTHER STAFF ASSIGNED TO BHA:

1. David Snipper - 3 days per week to handle inspections, effective March 24, 1986
2. Karen Moore - 2 days per week to handle recertifications, effective April 29, 1986.
3. Ted Katayama - Full-time to handle computerization and development of procedures.
4. Jerilyn Hill - Full-time until June 30, 1986 to act as receptionist.

1. Chief - Position vacancy has been announced by Personnel. Incumbent is acting until vacancy is filled.
2. Senior Clerk - Incumbent is in probationary status.
3. Intermediate Clerk (Data Entry Clerk) - Position is currently filled by employee hired through a temporary agency. It is anticipated that position will be available for permanent hire during May.
4. Leased Housing Supervisor - Position is classified as Associate Analyst; however, a request has been made to reclassify position to Leased Housing Supervisor.
5. Administrative Analyst - Incumbent is on assignment to Assistant City Manager's office. A Senior Administrative analyst is currently assigned to this staff slot to assist in office automation and development of procedures/tracking systems.
6. Community Services Specialist - This is a new position to BHA; incumbent is on probationary status; slot is needed. Performance standards are being developed
7. Intermediate Clerk - Incumbent is on probationary status.
8. Intermediate Steno Clerk - No comment.
9. Leased Housing Supervisor - Position is currently filled by a Leased Housing Technician on a temporary basis. It should be announced for permanent hire in July 1986.
10. Leased Housing Specialist - Incumbent was on Worker's Compensation status for 3 months and returned to work on April 21. However, she is restricted to desk work until further notice by her physician.
11. Leased Housing Specialist - No comment.
12. Leased Housing Specialist - No comment.
13. Leased Housing Technician - Incumbent is on leave status and is requesting a leave of absence due to stress and family illness.
14. Leased Housing Technician - No comment.
15. Leased Housing Technician - Position is vacant; incumbent has been appointed to position of Acting Leased Housing Supervisor.
16. Intermediate Typist Clerk - No comment.
17. Intermediate Typist Clerk - No comment.
18. Senior Account Clerk - No comment.
19. Senior Accountant - No comment.
20. Accounting Technician - Incumbent will be retiring effective 9/30/88. Decision will have to be made regarding reclassification of this position.



U.S. Department of Housing and Urban Development

San Francisco Regional Office, Region IX
450 Golden Gate Avenue
San Francisco, California 94102-3448

APR 16 1986

RECEIVED

APR 17 1986

PLANNING &
COMMUNITY DEVELOPMENT DEPT.

Ms. Vicki Elmer
Assistant City Manager for Planning and
Community Development
2180 Milvia Street
Berkeley, CA 94704

Dear Ms. Elmer:

SUBJECT: Report on Audit of the Section 8
Existing Housing Program
Berkeley Housing Authority
Report No. 86-SF-203-1014

Enclosed is a copy of the subject audit report. HUD's Regional Inspector General for Audit prepared the report and issued it on March 27, 1986. The report contains seven findings which require action by the Berkeley Housing Authority. Our comments on each of the findings follow:

Finding 1 - Housing Assistance Payments not Abated for Substandard Units (Disallowed Costs - \$97,157; Questioned Costs - \$15,862)

The report appears to adequately document the disallowance of \$97,157. If you wish to dispute this finding please submit your arguments and supporting documentation within 30 days of the date of this letter.

Finding 2 - Failure to Update Utility Allowances May Cost Tenants \$218,000 Annually

This finding resulted in three recommendations. Your Authority has complied with the first and submitted new utility allowances. The second recommendation requires you to establish a system to evaluate utility allowances annually. Please submit your procedures within 30 days.

The third recommendation requires you to establish procedures to compensate tenants who were adversely affected by you not updating utility allowances. Please submit your procedures for doing so within 30 days. At a minimum, we recommend that you reimburse for the previous lease term all tenants who received allowances, and will be reexamined during the 12 months following the effective date of your new allowances.

Finding 3 - Section 8 Contract Rents Exceeded Rents Charged for Comparable Unassisted Units

We do not believe that existing regulatory provisions are adequate to provide guidance given the unique nature of Berkeley's rent control ord-

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inance. We are therefore seeking a ruling from the Assistant Secretary as to which of two regulatory provisions should take precedence since almost all unassisted units are subject to rent control. We will advise you further when we receive his response.

Finding 4 - Annual Reexamination of Tenant Eligibility not Completed

We concur with this finding and the three associated recommendations. Please provide us with your response to recommendations 1 and 3 within 30 days. Also within 30 days please provide us with a schedule for reexamining those tenants who are not current.

Finding 5 - Rent Structure in a Rehabilitated Project Violated Federal Regulations

We are referring this finding to Headquarters, along with Finding 3, and will advise you further when we receive a response.

Finding 6 - Inability to Lease Project Self-Sufficiency Units

We concur with this finding. The Berkeley Housing Authority has a long-standing reputation of being poorly administered. As cited in the Audit Report's introduction "(m)any of the findings, or portions of findings, in this report were the same or similar to those in the prior OIG audit report issued December 17, 1980." That previous report disallowed \$214,000, which we have been unable to collect due to the Authority's lack of reserves. Further, until recently our office received more complaints about the Berkeley Authority from both tenants and landlords than about any of our housing authorities with much larger programs.

You and my staff have been working cooperatively over the last year to improve the Authority's operations. However, every action that has been taken has revealed further deficiencies. It has become apparent, largely through your efforts and the information gathered by the HUD auditor, that the Authority needs to be totally reconstituted. Existing staff are not trained and are ignorant of basic program requirements. Management systems are non-existent or inadequate. Violations of program regulations have created financial liabilities for the City of Berkeley. Consequently, we are opposed to providing the Berkeley Housing Authority with additional subsidy funds until the Authority demonstrates it can competently administer the program over a sustained period of time. Regardless of the options mentioned by the HUD/PD&R representative, which would be available to a well-managed authority, we intend to recapture any Self-Sufficiency certificates that are not under lease by July 5, 1986.

Finding 7 - Other Matters (Disallowed Cost - \$530)

a. Administrative Fee and HAP

We concur with this portion of the finding. Within 30 days please advise us whether there were any additional fee charges for contract 8005 after December, 1985 and the amount of such charges, if any; of the procedures you have or will implement to ensure all termination actions are promptly reflected on the rent register; and of your schedule to cross-check other termination actions with the rent register to discover if any similar cases exist. When you submit your financial statements for the end of the current fiscal year you will have to repay HUD any amounts owed pursuant to this finding.

b. Tenants' portion of rent increased prematurely

We concur with this portion of the finding. Within 30 days please provide us with your plan to make necessary corrections. The elements of such a plan were discussed at the audit close-out meeting.

c. Annual rent increases not supported by owner requests

We concur with this portion of the finding. You must implement a procedure for notifying owners that it is their responsibility to request rent increases when permitted. Please advise us of your procedures within 30 days.

d. Rent reasonableness determinations not made timely

We concur with this portion of the finding. Within 60 days please provide us with your plan for ensuring rent reasonableness determinations are made timely and your schedule for completing all overdue determinations.

e. Quality control inspections not made

We concur with this portion of the finding. Within 30 days please provide us with your procedures for ensuring that required supervisory reinspections are made.

Sincerely,



Arthur Kontura
Assisted Housing
Management Branch

cc: Chairman, Board of Commissioners
Berkeley Housing Authority

REPORT ON AUDIT OF THE
SECTION 8 EXISTING HOUSING PROGRAM
BERKELEY HOUSING AUTHORITY
BERKELEY, CALIFORNIA

86-SF-203-1014

March 27, 1986

Governed by

City of Berkeley City Council

Official Representative

Vicki Elmer, Assistant
City Manager for Planning
and Community Development

Accounting Representative

Oscar Santiago
Administrative Officer
Planning & Community Development Department

Location of Records

2180 Milvia Street and
3290 Adeline Street
Berkeley, California

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Issue Date
March 27, 1986
Audit Case Number
86-SF-203-1014

TO: Duncan L. Howard, Regional Administrator-Regional Housing
Commissioner, 9S

FROM: *Miguel P. Barrios, Jr.*
Miguel P. Barrios, Jr., Regional Inspector General for Audit, 9ZA

SUBJECT: Section 8 Existing Housing Program, Berkeley Housing Authority
Berkeley, California
Annual Contributions Contract No. SF 464

INTRODUCTION

We have completed a review of the Berkeley Housing Authority's (BHA) Section 8 Existing Housing Program. Our audit covered the period November 1, 1984 through November 30, 1985. Where appropriate, we extended our review to include other periods. The on-site review began November 4, 1985 and was completed January 31, 1986.

The purpose of our review was to determine whether the BHA was administering its Section 8 Existing Housing Program (Program) in an efficient, effective and economical manner, and in compliance with the Annual Contributions Contract and applicable HUD regulations. Specific objectives of our review were to determine if: (1) housing units met the applicable Housing Quality Standards; (2) tenants participating in the program were eligible, and Housing Assistance Payments made on their behalf were proper; (3) procedures established by the BHA to administer the program were adequate; and (4) the BHA complied with the applicable financial requirements. We reviewed tenant case files, property inspection reports, selected financial records, and other pertinent documentation; interviewed cognizant BHA personnel and tenants; and inspected leased units.

The BHA did not comply with applicable regulations and Departmental policies with regard to activities tested. Material non-compliance was noted regarding: (1) enforcement of Housing Quality Standards; (2) tenant reexamination; (3) review and adjustment of utility allowances; and (4) establishment of contract rents. Although nothing came to our attention to indicate that program activities not tested failed to comply with applicable laws and regulations, our examination does not provide any assurance that the untested activities complied with Program regulations.

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The examination was made in accordance with the applicable portions of generally accepted governmental audit standards and included such auditing procedures as we considered necessary.

SUMMARY

The BHA generally met Program requirements for initial determinations of participant eligibility and dwelling unit compliance with Housing Quality Standards (HQS). The BHA's follow-up of these two areas, however, was seriously deficient. These and other operational deficiencies identified during our review resulted in disallowed costs of \$97,687 and questioned costs of \$15,862 and indicate the BHA had not implemented sufficient controls to assure the Program was administered in accordance with HUD requirements or in an efficient, economical or effective manner. The BHA did generally comply, however, with financial requirements of the Program.

Our review disclosed that Housing Assistance Payments (HAP) were improperly made for units on which owners failed to correct noted HQS violations; utility allowances used in calculating HAP were not updated annually as required; contract rents were not established and adjusted in accordance with Program requirements; tenants were not reexamined annually as required to determine their continued eligibility; and tenants' portions of rents were increased prematurely. Further, although dwelling unit inspections were generally adequate, supervisors were not reinspecting five percent of the units as required. It also appears the BHA may lose \$289,248 in funds allocated for its Project Self-Sufficiency Program due to lack of interest by the targeted population.

Deficiencies noted have resulted in disallowed costs of \$97,157, representing HAP payments on substandard units, questioned costs of \$15,862 in applicable administrative fee, and \$530 in HAP payment and applicable administrative fee for one unit no longer under contract; the establishment of Section 8 contract rents substantially higher than rents charged for comparable unassisted units; and lack of assurance tenants' rent contributions were reasonable and tenants remained eligible for assistance.

The problems were caused by the BHA's failure to implement effective controls to assure that tenant reexaminations and rent reasonableness determinations were accomplished timely and that HUD was billed only for units in the Program; deliberate discontinuance of the required HAP abatement (non-payment) and contract termination policy for units on which HQS violations have not been corrected due to the large number of allocated units not under contract; unfamiliarity with Program requirements concerning update of utility allowances and establishment of contract rents based on a local rent control ordinance which was not consistent with HUD requirements.

In May 1985 the BHA discontinued abatement (non-payment) of Housing Assistance Payments or contract termination for units on which owners failed to correct noted Housing Quality Standards (HQS) violations. According to BHA personnel rent abatement was suspended to increase the number of allocated units under a HAP contract. Payments to owners in such circumstances are prohibited by Program requirements, however, and we have disallowed \$97,157 in payments made for substandard units during the six months ended November 30, 1985. In addition to improper payments, the BHA's practice removed the incentive for owners to accomplish needed repairs in a timely fashion, thus hindering the Program objective of providing decent, safe and sanitary housing. We are recommending the BHA reimburse HUD, from non-Federal funds, the \$97,157 disallowed costs and any such payments made subsequent to November 30, 1985 as well as any portion of the applicable administrative fee HUD determines should be reduced. We are further recommending the BHA reinstate the abatement procedures.

The BHA had not reviewed and updated its utility allowances annually as required and did not have a system for obtaining consumption and rate data. The most recent review and update was in May 1982. We estimate that as a result tenants will receive about \$218,000 less in allowances for the 12 month period ending October 31, 1986 than they are entitled to under the Program. BHA officials told us they did not know they had to update the allowances. We are recommending the BHA review and update its utility allowances immediately and adjust tenant rents accordingly, establish a system to evaluate utility allowances annually, and submit a plan to identify tenants who have been adversely affected, determine the effect and adjust their allowances.

Section 8 contract rents allowed by the BHA were substantially higher than rents being charged for comparable units in the private unassisted market. The higher rents occurred because rents for most unassisted units were limited by the City of Berkeley's rent stabilization ordinance. The ordinance, however, excluded units leased under the Section 8 Program and the BHA failed to properly implement the rent reasonableness provisions of the regulations. In 19 of 20 cases we reviewed Section 8 rents were from \$33 to \$185 a month higher than those allowed if the units were not under the Section 8 Program.

Similarly, Section 8 rents established by the City of Berkeley for a 19 unit project rehabilitated under HUD's Rental Rehabilitation Program violated Rental Rehabilitation regulations. The rents for Section 8 assisted units were about 50 percent higher than those of comparable unassisted units. City officials told us the rents for the unassisted units are limited by the City's rent stabilization ordinance whereas Section 8 rents are not. Therefore Section 8 rents were raised to recover rehabilitation costs. HUD Regulations, however, expressly preempt rent ordinances in establishing rents in rehabilitated projects.

We are recommending the BHA use rents being charged for comparable units in the private unassisted market when determining the reasonableness of Section 8 contract rents.

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The BHA had not completed required annual reexaminations to determine family eligibility and rent payments for 19 of 37 (51%) tenant files we reviewed. As a result, there was no assurance tenants remained eligible for rental assistance and tenants were not paying their required share of the rent. The deficiency resulted from the BHA's lack of internal controls to ensure tenant reexaminations were completed once they were started. We are recommending the BHA establish the needed controls.

The BHA's efforts to find participants for its Project Self-Sufficiency Program have been unsuccessful because the targeted population has shown almost no interest in the program. If the units are not under lease by July 5, 1986 HUD will need to extend or recapture the funding of \$289,248.

We identified several additional areas where the BHA needs to improve its administration of the Section 8 HAP Program. These include billing HUD only for dwelling units under HAP contract, making timely corrections of premature increases in tenants' portion of rent, granting owner rent increases only when requested, making required rent reasonableness determinations in a timely manner and making required supervisory reinspections of dwelling units. As a result of deficiencies in the aforementioned areas, there is no assurance contract rents and the tenants' contributions are reasonable and in accordance with Program requirements. Also, we have disallowed \$530 in administrative fee and HAP payment applicable to one unit not under contract. We found no deficiencies in the BHA's inspections of dwelling units, but supervisors were not making the required five percent review of inspections.

We attribute the above deficiencies to lack of control procedures, inadequate documentation and unfamiliarity with Program requirements. We are recommending establishment of appropriate controls and other needed corrective actions.

We discussed the draft findings with BHA officials during the audit and at a March 17, 1986 exit conference. Pertinent BHA comments are included in the report.

For the purposes of this report, the terms disallowed and questioned costs are defined as follows:

Disallowed costs are costs which clearly are not allowable by law, contract, HUD or local agency policies or regulations.

Questioned costs are costs which are not clearly eligible or ineligible, but which warrant being contested by the Office of Inspector General for any number of reasons (e.g., lack of satisfactory documentation to support the eligibility of the costs, etc.).

FOLLOW-UP ON PRIOR AUDITS

This is the second Office of Inspector General (OIG) audit of the Berkeley Housing Authority. Many of the findings, or portions of findings, in this report were the same or similar to those in the prior OIG audit report issued December 17, 1980 (81-SF-203-1008). There was also a correlation between findings in the audit report for the two years ended June 30, 1984 issued by the City of Berkeley Internal Auditor. The relationship of current audit findings to prior findings are as shown:

<u>Prior OIG Audit Finding No.</u>	<u>Description</u>	<u>Current OIG Finding No.</u>
5	Rent Reasonableness Determinations	3 and 7
6	Tenant Reexaminations not Timely	4
<u>City of Berkeley Internal Audit</u>		
3	Lease and HAP Contract Renewals	4 and 7
4	Tenant Eligibility Reexaminations	4

The OIG audit report dated December 17, 1980 also contained a finding on "Costs Incurred for Leasing Vacant Units-Questioned \$214,000." The Finding was based on units leased under Section 23. The questioned \$214,000, was sustained and the matter was referred to Department of Justice.

Because of the incidence of repeats of prior audit findings, under the requirements of Handbook 2000.6 REV, appropriate current findings cannot be resolved on the basis of promises. Therefore, before we will concur in the resolution for these findings, we request that we be given documentary evidence that the BHA has taken the required corrective action or that action has progressed to the point where there is sufficient assurance that it will be completed.

* * * *

Within 60 days, please provide this office, for each recommendation cited in the report, a status report on: (1) the clearance action taken; (2) the proposed clearance action and the date to be completed; or (3) why action is not considered necessary. If the initial status report does not result in closing of the recommendations, please provide us, within 50 days after the initial report, a second report of corrective action taken. Also, please furnish us copies of any correspondence or directives issued related to the audit. Findings and recommendations not cleared by 120 days after report issuance must be referred to the Assistant Inspector General for Audit with explanations as to why the findings cannot be resolved.

BACKGROUND

The Berkeley Housing Authority (BHA) was established in December 1966 for the purpose of providing housing to low-and moderate-income individuals and families. The BHA operated as a separate agency until June 27, 1977 when it was placed under the City of Berkeley's Housing and Development Department. The City Manager was appointed Executive Director with the City Council functioning as the Board of Commissioners. In 1982 the City changed the name of the Housing and Development Department to Planning and Community Development. The BHA was located at 2180 Milvia Street until June 1985 when it moved its operations except for accounting and financial management to 3290 Adeline Street.

The BHA's operations consist solely of Section 8 housing units. Housing units by program allocation at December 1, 1985 were:

<u>Program</u>	<u>Units</u>	
	<u>Allocated</u>	<u>Under Contract</u>
Section 8 Existing	1,441	1,312
Project Self-Sufficiency	47	0
Rental Rehabilitation Program	27	8
Rental Rehabilitation Demonstration Program	<u>5</u>	<u>5</u>
Total	<u>1,520</u>	<u>1,325</u>

The Section 8 Housing Assistance Payments (HAP) Program - Existing Housing was authorized by the United States Housing Act of 1937, as amended by Section 201 of the Housing and Community Development Act of 1974. The primary goal of the Program is to enable eligible lower income families, by means of housing assistance payments, to obtain modest housing in the private sector that is decent, safe, and sanitary. Under the Program housing authorities process participant applications to determine eligibility. Eligible participants then select an existing, privately-owned dwelling unit in the local area. The rental rate for the selected unit must fall within the applicable Fair Market Rent limitations, and the unit must meet the Program's Housing Quality Standards. The Authority then enters into a Housing Assistance Payments contract with the owner of the unit to make up the difference between the tenants' portion of the rent and the total contract rent.

Project Self-Sufficiency was to assist unemployed or under-employed very low-income single parents, with young children, to become economically self-sufficient through the cooperative efforts of the public and private sectors. The age of one child should be under 12. Participants must be willing to seek housing in non-impacted areas, if necessary, to enhance job or training opportunities, and to work full-time or seek training opportunities that would lead to future full-time employment.

The Rental Rehabilitation Program was established to increase the supply of standard housing units affordable to lower-income families. This was to be accomplished by:

- o supplying Government funds to assist in rehabilitating existing units; and
- o providing rental housing assistance to lower-income families to help them afford the rents of units in the rehabilitated projects or find alternative housing.

INTERNAL CONTROLS

We reviewed BHA administrative controls over the review and processing of applications, unit inspections and rent determinations. We found serious weaknesses in:

- o Abatement of rents for units failing Housing Quality Standards (Finding 1)
- o Updating utility allowances (Finding 2)
- o Rent comparability (Findings 3 and 7)
- o Tenant reexaminations (Finding 4)
- o Establishing rent for projects rehabilitated with Rental Rehabilitation Grant Program Funds (Finding 5)

Our review of BHA accounting controls was limited to procedures for requisitioning Section 8 funds; disbursing rent payments to owners; and calculating administrative fees and claim payments. These controls, in our opinion were generally adequate. Our review disclosed only one minor deficiency as discussed in Finding 7(a).

FINDINGS AND RECOMMENDATIONS

Finding 1 - Housing Assistance Payments not Abated for Substandard Units (Disallowed Costs - \$97,157; Questioned Costs - \$15,862)

In May 1985 the BHA discontinued abatement (non-payment) of Housing Assistance Payments or contract termination for units on which owners failed to correct noted Housing Quality Standards (HQS) violations. Payments to owners in such circumstances are prohibited by Program requirements and we have disallowed \$97,157 in payments made for substandard units during the six months ended November 30, 1985 and questioned \$15,862 in applicable administrative fees. In addition to improper payments, the BHA's practice removed the incentive for owners to accomplish needed repairs in a timely fashion, thus hindering the Program objective of providing decent, safe and sanitary housing. According to BHA personnel rent abatement was suspended in order to increase the number of allocated units under a HAP contract.

HUD Handbook 7420.7, Public Housing Agency Administrative Practices Handbook For the Section 8 Existing Housing Program, paragraph 5-8.b. requires an annual inspection be made prior to the HAP contract renewal date. Paragraph 5-9.b. provides for abatement of HAP, after sufficient time (30 days) has elapsed, where repairs needed have not been made by the owner, or HAP contract termination where abatements do not correct the problem.

Prior to May 1985 the BHA used rent abatement as a means of getting owners to correct HQS violations noted during annual inspections. BHA personnel advised us, however, that after May 1985 rent abatement or contract termination was only initiated under extreme circumstances, until all allocated units were placed under a HAP contract.

We found that the BHA was conducting annual inspections about 60 days prior to contract anniversary dates and promptly informing owners, where HQS violations were noted, that they had 30 days to make the required repairs. If the owners did not respond within 30 days the BHA automatically gave the owners an additional 15 days to respond. If the owners did not respond to the second letter no further action was taken. As a result, the HAP contracts expired, the BHA and tenants continued to pay the owners according to the terms of the expired contracts and the tenants occupied substandard units.

We determined that 103 units inspected between April 23 and September 21, 1985 failed the annual inspection and there was no evidence the owners made the required repairs. Therefore, we disallowed the \$97,157 in HAP payments made to the owners of these units. We made the computation starting the first day of the month following the expiration of the 30-day period permitted to make repairs and ending November 30, 1985 (Schedule 1).

Paragraph 8-3d. of Handbook 7420.7 provides that HUD may reduce a PHA's administrative fee if it does not carry out its responsibilities for assuring all units comply with HQS. Therefore, we questioned \$15,862 in administrative fees applicable to the substandard units (Schedule 1).

The BHA's failure to enforce HQS requirements rewards owners of substandard units and denies tenants the decent safe and sanitary housing the Program was designed to provide.

Auditee Comments

Auditee officials agreed rent abatement should not have been discontinued as a means of obtaining needed repairs. They disagreed, however, that the improper payments should be disallowed particularly where the needed repairs did not endanger tenant health and safety.

Evaluation of Auditee Comments

As shown in the finding a conscious decision was made to cease abating rents. In doing so the BHA ceased monitoring owner progress in completing needed repairs. Such actions are a serious violation of the BHA's responsibility to provide decent, safe and sanitary housing and operate its HUD funded housing programs in an efficient and effective manner. Therefore, we believe the costs should be disallowed.

Recommendations

We recommend you:

1. Require the BHA to repay to HUD from non-Federal funds the disallowed costs of \$97,157 and any such payments made subsequent to November 30, 1985;
2. Determine the portion of the applicable administrative fee of \$15,862 which should be reduced and adjust the fee accordingly; and
3. Require the BHA to establish and implement procedures to enforce the HUD requirements for abatement of housing assistance payments and termination of HAP contracts when owners fail to correct noted HQS violations.

Finding 2 - Failure to Update Utility Allowances May Cost Tenants \$218,000 Annually

The BHA had not reviewed and updated its utility allowances annually as required and did not have a system for obtaining consumption and rate data. The most recent review and update was in May 1982. We estimate that as a result tenants will receive about \$218,000 less in allowances for the 12 month period ending October 31, 1986 than they are entitled to under the Program. BHA officials told us they did not know they had to update the allowances.

The Code of Federal Regulations, 24 CFR 882.214, provides, in part, that at least annually, the PHA shall determine whether there has been a substantial change in utility rates and whether an adjustment is required in the allowance. These adjustments can be made for rate changes or for errors in the original determination for allowances. In addition, HUD Handbook 7420.7, Paragraph 11-6.b, provides that, in order to evaluate allowance schedules periodically, the PHA must establish a system for obtaining consumption and rate data. If not available from local suppliers, the PHA must gather data directly from participants. Whatever the source, consumption data should be analyzed annually to ensure that allowances are sufficient. The PHA must retain all documentation and send adjusted allowance schedules to HUD for review.

The BHA had not reviewed and updated its utility allowances since May 1982. Furthermore, there was no system in place to gather the data needed to determine if the allowances needed to be adjusted. Officials interviewed stated they were unaware of the requirement for annual reviews.

To determine the effect of the BHA's use of outdated utility allowances, we calculated the average utility allowances by unit size and compared them to allowances developed in October 1985 by another housing authority serving the adjacent area. The comparison showed the BHA's monthly allowances were from \$11 to \$46 less per unit than the other authority:

<u>Unit Size</u>	<u>Difference</u>
1 Bedroom	\$11.00
2 x	15.00
3 x	31.00
4 x	26.00
5 x	46.00

Approximately 90 percent of the BHA's tenants receive utility allowances. Using that percentage, the number of units under contract at November 30, 1985 and the differences in allowances, we determined that tenants will receive about \$218,000 less in allowances between November 1985 and October 1986 than they are entitled to:

<u>No. of Bedrooms</u>	<u>Units Under Contract</u>	<u>90% of Units</u>	<u>Allowance Difference</u> x <u>12 Months</u>	= <u>Total</u>
1	389	350	\$11	\$ 46,200
2	736	662	15	119,160
3	141	127	31	47,244
4	18	16	26	4,992
5	1	1	46	552
Total				<u>\$218,148</u>

The BHA's failure to review and update utility allowances annually has placed an unnecessary financial burden on program participants. The BHA needs to implement a system to update the utility allowances and make the necessary adjustments to rents tenants are required to pay.

Auditee Comments

Auditee officials concurred with the need to update the utility allowances and assured us they were proceeding with corrective actions.

Recommendations

We recommend that you instruct the BHA to:

1. Review and update its utility allowances immediately and adjust tenant rents accordingly.
2. Establish a system to evaluate utility allowances annually. This system should include a procedure for obtaining actual consumption data from utility companies and tenants, and for monitoring utility rates to allow for timely adjustment of utility allowances for rate changes.
3. Submit a plan outlining the procedures which the BHA intends to use to:
 - a. Identify tenants who were adversely affected by the failure to establish reasonable allowances;
 - b. Determine the effect on individual tenants; and
 - c. Adjust the utility allowance for rate changes or errors in prior allowance determinations.

Finding 3 - Section 8 Contract Rents Exceeded Rents Charged for Comparable Unassisted Units

Section 8 contract rents allowed by the BHA were substantially higher than rents being charged for comparable units in the private unassisted market. As a result, rents were excessive and violated the rent reasonableness provisions of the Regulations. The higher rents occurred because rents for most unassisted units were limited by the City of Berkeley's rent stabilization ordinance adopted in 1980. The ordinance, however, excluded units leased under the Section 8 Program and the BHA failed to properly implement the rent reasonableness provisions of the regulations. In 19 of 20 cases we reviewed, Section 8 rents were from \$33 to \$185 a month higher than those allowed if the units were not under the Section 8 Program.

Title 24, Code of Federal Regulations, Section 882.106(b)(1), requires the PHA to certify for each unit for which it approves a lease that the contract rent for such unit is:

"(i) Reasonable in relation to rents currently being charged for comparable units in the private unassisted market, taking into account the location, size, type, quality, amenities, facilities and management and maintenance service of such unit, and

(ii) Not in excess of rents currently being charged by the Owner for comparable unassisted units."

Section 882.106(b)(2) states:

"For a rent controlled unit, comparable units shall be those which are rent controlled; for a unit which is not subject to rent control, comparable units shall be those which are not rent controlled."

Our review of 20 Section 8 units disclosed that in 19 cases the contract rents established by the BHA were greater than the rent which would have been permitted under the rent control law (i.e. if not under Section 8). Excess monthly rents ranged from \$33 to \$185. In two cases even the tenants' portion of the contract rent was greater than the total rent would have been under the rent control law (\$24 and \$30). In all 19 cases, HUD is actually "subsidizing" the landlord rather than the tenant and in 2 of these 19 cases the tenant, as well as HUD, is "subsidizing" the landlord.

The excessive Section 8 rents were caused primarily by three factors: (1) the ordinance exempted those units from rent control; (2) annual increases were in excess of those allowed for unassisted units; and (3) rent reasonableness was improperly established by comparing to rents allowed for other Section 8 units.

The procedure the BHA used in establishing Section 8 rents, in our opinion, violates the Program rent reasonable requirements and has provided owners with rents substantially in excess of that permitted for unassisted units.

Auditee Comments

It is the opinion of the Attorney to the Housing Authority and the City Attorney that the Housing Authority procedures for rent reasonableness do not violate the Federal regulations. Federally assisted units are not subject to rent control. Therefore, as you have stated in your finding Title 24, Code of Federal Regulations, 882.106(b)(2) require that "for a unit which is not subject to rent control, comparable units shall be those which are not rent controlled."

Evaluation of Auditee Comments

In Berkeley, virtually the entire private rental market is subject to the City's rent control ordinance. As a result, the BHA used other Section 8 Existing units as comparables in direct violation of Title 24, CFR 882.106 (b)(1)(i) which requires that contract rents be "Reasonable in relation to rents currently being charged for comparable units in the private unassisted market...." (Emphasis added). Notwithstanding the Regulation cited by the Auditee, we believe a reasonable interpretation of the Regulations would give precedence to the requirement that comparable rents be those charged for unassisted (i.e. non-Section 8) units. The BHA has chosen, however, to interpret the Regulations in a fashion to maximize Section 8 contract rents by providing extra monetary incentive to the owners at the expense of both HUD and the tenants.

Recommendation

We recommend you require the BHA to use rents being charged for comparable units in the private unassisted market in determining reasonableness of Section 8 contract rents.

Finding 4 - Annual Reexamination of Tenant Eligibility not Completed

The BHA had not completed required annual reexaminations to determine family eligibility and rent payments for 19 of 37 (51%) tenant files we reviewed. As a result, there was no assurance tenants remained eligible for rental assistance and tenants were not paying their required share of the rent. The deficiency resulted from the BHA's lack of internal controls to ensure tenant reexaminations were completed once they were started.

HUD Handbook 7420.7 Public Housing Agency Administrative Practices Handbook For the Section 8 Existing Housing Program, paragraph 10-2 requires the PHA to reexamine "the income composition, and extent of medical or other unusual expenses of each assisted family on a regular basis to determine if the family is eligible for continuing assistance under the program and to determine appropriate adjustments to be made in the Gross Family Contribution..." Paragraph 10-2.a. requires the reexaminations to be made at least annually. For the purpose of establishing the reexamination interval, the effective date may be the date of the dwelling lease. It is important that the PHA have sufficient control systems established to ensure that required reexaminations are performed for each assisted family on a timely basis.

In 19 of 37 files we revealed tenant reexaminations were started but for various or unexplained reasons were not completed (Schedule 2). For example:

Contract 9130. - The last reexamination was completed April 9, 1980, at which time the tenants' portion of the monthly rent was \$116. By reference to a "Contact Log", that at one time was required to be annotated with every action taken relevant to a contract, we determined the tenant was interviewed on November 11, 1981, but failed to provide needed verification. The next contact with the tenant was on March 23, 1983, "in the BHA office, for reexamination." At that time the tenant notified the BHA that only one of two dependents previously claimed now lived in the unit (three bedrooms). The BHA explained that the tenant no longer qualified for a three bedroom unit. However, the tenant was not required to find a smaller unit nor was the rent reduced to that of a two bedroom unit. The next action was on August 23, 1984 when the BHA granted the following retroactive rent increases to the owner:

<u>Effective Date</u>	<u>Tenant Portion</u>	<u>BHA Portion</u>	<u>Total Rent</u>
Aug 1, 1982	\$116	\$268	\$384
May 1, 1983	\$116	\$304	\$420
May 1, 1984	\$116	\$330	\$446

The reason for the increases, according to the individual who prepared the documents, was to bring the file current.

There was another attempt to reexamine the tenant in September 1985, however the action was not completed.

By reference to a copy of a Federal tax return in the file we were able to determine that in 1983 the tenant's monthly portion of the rent should have been \$227:

Annual Income	\$10,077
Deductions	0
Net Income	\$10,077
Percent of Net Income in 1983	27
Annual Rent	\$ 2,721
Required payment <u>1/</u> (\$2,721÷12)	227
Currently Paying	116
Excess HAP (\$227-\$116)	\$ 111
Annualized (12 x \$111)	\$ <u>1,332</u>

1/ Owner paid utilities

Using the same income figures for 1984, the tenant's portion would have been \$235 per month (the percent of family contribution increased from 27 percent to 28 percent) or excess HAP of \$119 per month. Annualized the excess 1984 payments were \$1,428.

No one at the BHA could explain why the tenant had not been reexamined since 1980.

Contract 8352 - The tenant was last reexamined on October 8, 1981, with an annual salary of \$7,920. The reexamination also showed three dependants:

Daughter	18 years
Son	17 "
Daughter	16 "

On August 19, 1983, the tenant was informed the certificate of participation was revoked. The tenant requested a hearing and a reexamination was scheduled for December 5, 1983. The tenant apparently did not keep the appointment as a January 26, 1984 letter to the tenant stated a formal letter of termination would be prepared unless another appointment was scheduled. The January 26, 1984 letter was the last communication with the tenant who at the time of our review was still receiving the monthly rent assistance of \$195 computed in 1981. We determined the tenant was still employed at the same place, however, without a release form signed by the employee we could not verify income. Also, the family composition could have changed with the dependants now required to be full time students to qualify as dependants.

Contract 7889 - The last reexamination was on October 16, 1981. Documents in the file showed attempts at reexamination in 1982, 1983 and 1984. Our review showed sufficient information was provided, however, the reexaminations were not completed. Using documents in the file we determined the tenant paid \$4,704 less for rent than required between 1982 1984:

	<u>1982</u>	<u>1983</u>	<u>1984</u>
Annual Income	\$ 9,897	\$10,912	\$10,500
Deductions	545	300	300
Net Income	\$ 9,352	\$10,612	\$10,200
Percent of Net Income Payable	26	27	28
Tenants' Annual Rent Portion	\$ 2,432	\$ 2,865	\$ 2,856
Tenants' Monthly Rent Portion <u>1/</u>	\$ 203	\$ 239	238
Actual Monthly Payment by Tenant	96	96	96
Months Over Payment by BHA	\$ 107	\$ 143	\$ 142
Annual Overpayments by BHA	\$ <u>1,284</u>	\$ <u>1,716</u>	\$ <u>1,704</u>
Total Overpayments for 1983-1984			\$ <u>4,704</u>

1/ owner paid all utilities

The only explanation provided for not completing the reexaminations was that the documents were not available when the reexaminations were required. There was no evidence of reexamination for 1985.

Contract 6022 - The last reexamination was October 22, 1981. Documents in the file showed attempts at reexamination for 1982, 1983, and 1984, however, none were completed. Documentation for 1982 and 1983 were insufficient to compute rental assistance, however, there was adequate information to complete the 1984 reexamination:

1984 Income	\$11,462
Deductions	960
Net Income	\$10,502
Percent Payable as Rent	29
Annual Tenants Portion of Rent	\$ 3,046
Monthly Tenants Portion of Rent	\$ 254
Less Utility Allowance	45
Required Payment	\$ 209
Currently Paying	55
Excess HAP (\$209-\$55)	\$ 154
Annualized (12 x \$154)	\$ <u>1,848</u>

BHA personnel told us if reexaminations could not be completed after being started there was no requirement to report this to management, therefore, many tenants were not reexamined. We were also told that for many of the files we reviewed there were indications of program abuse during reexaminations. When program abuse was suspected the file was given to the Leased Housing Specialist for further processing. Since the Specialist did not maintain any records of files referred for possible program abuse this matter could not be substantiated.

Because of the lack of sufficient controls to ensure tenants are examined at least annually the BHA has no assurance all the current tenants remain eligible for assistance. Also, as shown in the above examples, the BHA's failure to complete reexaminations timely has resulted in excessive HAP payments.

Auditee Comments

Auditee officials generally agreed with the finding and recommendations.

Recommendations

We recommend you require the BHA to immediately:

1. Determine those tenants that do not have a current reexamination;
2. Reexamine those tenants identified in recommendation 1; and
3. Establish and implement internal controls that will ensure all tenants are reexamined at least annually.

Finding 5 - Rent Structure in a Rehabilitated Project Violated Federal Regulations

Rents established by the City of Berkeley for a 19 unit project rehabilitated under HUD's Rental Rehabilitation Program violated Federal regulations. The rents for Section 8 assisted units were about 50 percent higher than those of comparable unassisted units. City officials told us the rents for the unassisted units are limited by the City's rent stabilization ordinance whereas Section 8 rents are not. Rental Rehabilitation regulations, however, expressly preempt rent ordinances in establishing rents in rehabilitated projects.

The City of Berkeley's Conservation and Development Department provided \$45,000 in HUD Rental Rehabilitation Program funds to the owner of a 19-unit project for the purpose of increasing the supply of standard housing units affordable to lower income families by rehabilitating substandard property.

After project rehabilitation was completed Conservation and Development Department personnel determined total gross effective annual income of \$100,884 was needed to properly compensate the project owner and generate sufficient income to meet operating expenses. They then allocated this amount to individual units based on whether the units would be leased to Section 8 assisted or unsubsidized tenants.

The project consisted of 16 two bedroom and 3 one bedroom units. Monthly rents for the 14 two bedroom units leased under the Section 8 program were established at \$505 while the two unassisted units rents were \$287 and \$300. The one bedroom units were for unsubsidized tenants and rent for these were \$220, \$300 and \$387. Conservation and Development Department personnel told us the rents for the unsubsidized units were established in accordance with the City's rent stabilization ordinance and the Section 8 rents were then established at a rate necessary to make up the remaining amount needed to produce annual income of \$100,884.

According to the Rental Rehabilitation Program regulations (24 CFR 511.10(b)) rent ordinances are preempted in establishing rents. In establishing separate rent structures for subsidized units the City has violated the regulations. Furthermore, this procedure has placed a disproportionate share of the financial burden on the Section 8 assisted units.

Auditee Comments

The finding refers to RRP Regulations (24 CFR 511.10 (b)) as stating that "rent ordinances are preempted" in RRP projects. However, the Regulations (same paragraph) clearly state: "A project rehabilitated with a rental rehabilitation grant is not subject to State or local rent control unless the rent control requirements or agreements: (1) Were entered into under a State law or local ordinance of general applicability that was enacted and in effect in the jurisdiction before November 30, 1983 and (2) apply generally to projects not assisted under the Rental Rehabilitation Program." Both criteria are met by the City of Berkeley's Rent Stabilization and Eviction for Good Cause Ordinance, enacted June 3, 1980.

The disparity between subsidized and non-subsidized rents can be attributed to the existing rent control ordinance in Berkeley. Legal rents are set historically. Use of this method can result in legal rents for identical units within the same building varying greatly. Units under Section 8 are exempt from the rent control ordinance, giving rise in most cases to EMR's well above "legal" rents. This disparity existed in the building prior to the purchase by the present ownership: Of the 5 occupied units, 1 was under Section 8 at a contract rent of \$366, while the legal rent for an identical unit was \$287, a difference of 27%.

Evaluation of Auditee Comments

The cited portion of 24 CFR 511.10(b) is immediately followed by a statement that State and local rent controls expressly preempted by that paragraph include those which prevent an owner "from maximizing return or setting rent as it chooses." The City of Berkeley's rent control ordinance fits this description and we maintain the Rental Rehabilitation project was not subject to rent control.

We agree that Section 8 rents are generally higher than rents for identical units which are subject to rent control. As discussed in Finding 3, however, this violates the rent reasonableness provisions of the Regulations.

Recommendation

We recommend you require the City of Berkeley to establish all rents, assisted and unassisted, on an equitable basis. Rents established for Rental Rehabilitation Project (RRP) units and subsidized under Section 8 should not be higher than rents for comparable RRP units not subsidized under Section 8.

Finding 6 - Inability to Lease Project Self-Sufficiency Units (Contract Authority Which Could be Recaptured - \$289,248)

The BHA's efforts to find participants for the 47 Project Self-Sufficiency units have been unsuccessful because the targeted population has shown almost no interest in the program. If the units are not under lease by July 5, 1986 HUD will need to extend or recapture the allocated funding.

The Project Self-Sufficiency program was designed to assist unemployed or under-employed very low-income single parents with young children to become economically self-sufficient through the cooperative effort of the public and private sectors. Participants must be willing to seek housing in non-impacted areas, if necessary, to enhance job or training opportunities, and to work full-time or seek training opportunities that would lead to future full-time employment.

The PHA's Annual Contribution Contract (ACC) was amended on July 5, 1985 to include 47 Project Self-Sufficiency units with funding of \$289,248. The ACC requires the units to be under lease within 12 months of the ACC amendment date to avoid loss of the funding. While the BHA has expended considerable effort to lease the units the targeted population has shown almost no interest in the program. As of January 31, 1986 the BHA had issued only two certificates of participation to interested applicants. Therefore, it appears the BHA could lose funding for the 47 units.

Auditee Comments

We were informed a month ago, by the HUD/PD&R representative in charge of project Self-Sufficiency that "if we were not able to lease up within the 12 month period that we should either ask for an extension, or the units would revert back to the regular program under our ACC, for which we have a waiting list.

Recommendation

We recommend you require the San Francisco Office Assisted Housing Management Branch to provide you evidence by July 5, 1986 that the units are under lease or other appropriate action has been taken.

Finding 7 - Other Matters (Disallowed Cost - \$530)

We identified several additional areas where the BHA needs to improve its administration of the Section 8 HAP Program. These include billing HUD only for dwelling units under HAP contract, making timely corrections of premature increases in tenants' portion of rent, granting owners rent increases only when requested, making required rent reasonableness determinations in a timely manner and making required supervisory reinspections of dwelling units. As a result of deficiencies in the aforementioned areas, there is no assurance contract rents and the tenants' contributions are reasonable and in accordance with Program requirements. Also, we have disallowed \$530 in administrative fee and HAP payment applicable to one unit not under contract. We found no deficiencies in the BHA's inspections of dwelling units, but supervisors were not making the required five percent review of inspections.

We attribute the above deficiencies to lack of control procedures, inadequate documentation and unfamiliarity with Program requirements.

These matters are discussed below:

a. Administrative Fee and HAP payment billed to HUD for terminated contract (Disallowed Cost - \$530)

Contract 8005, was reexamined in October 1984, at which time the tenant's portion on the rent was calculated to be \$248 and the BHA's \$23. The tenant's portion of the rent was \$24 more than that allowed for the unit under the Berkeley rent control ordinance. Therefore, the tenant elected to go off the Section 8 program effective January 1, 1985. The BHA terminated the contract and its payment to the owner but continued to bill HUD for an administrative fee. Also the BHA paid the owner \$23 for January 1985 because the unit had not been deleted from the rent register. As a result, we have disallowed the \$530 the BHA claimed for this tenant during 1985:

Rent

\$23 for January 1985	\$ 23.00
-----------------------	----------

Administrative Fee

1/85-5/85	\$512 x 8% x 5 months	\$204.80
6/85	\$560 x 8% x 1 month	\$ 44.80
7/85-12/85	\$560 x 7.65% x 6 months	<u>\$257.04</u>

Total Fee	<u>\$506.64</u>
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Total Cost	<u>\$529.64</u>
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Auditee Comments

Auditee officials concurred with the finding.

Recommendations

We recommend you require the BHA to:

1. Repay HUD the \$529.64 and any additional amounts charged since December 1985;
2. Establish a system to ensure the rent register is promptly adjusted for all termination actions; and
3. Review the rent register for any other similar cases and make any necessary corrections and repayments to HUD.

b. Tenants' portion of rent increased prematurely

In May 1985 HUD San Francisco Office Assisted Housing Management Branch personnel discovered that the BHA had improperly implemented the Federal regulation increasing tenants' portion of rent from 25 percent to 30 percent of family income for those on the program prior to August 1, 1982. The regulations provided for incremental increases, however, the BHA Chief of Housing instructed the BHA staff to increase every tenants' rent to 30 percent effective the next reexamination after October 1, 1982. Premature increase of the tenants' portion of rent has resulted in payments by tenants which should have been paid through the HAP subsidy. We could not determine how many tenants were affected by this decision because of poor record keeping and lack of internal controls.

BHA officials told us they are formulating a plan to correct the problem.

Auditee Comments

Auditee officials concurred with the finding.

Recommendation

We recommend you require the BHA to review each tenant file during the next scheduled reexamination to determine if this deficiency exists and if so make the necessary corrections.

c. Annual rent increases not supported by owner requests

Title 24 of the Code of Federal Regulations, section 882.108 states, in part, contract rents shall be adjusted upon request to the PHA by the owner.

In all cases where units passed the annual inspection or reinspections, owners were granted rent increases. However, we could find no evidence that any of the owners had requested increases. BHA personnel told us

owners constantly call or write requesting rent increases. They further stated there is no in-house requirement that any documentation supporting the requests be maintained.

Auditee Comments

Auditee officials concurred with the finding.

Recommendation

We recommend you require the BHA to develop and implement procedures ensuring all rent increases are granted only as a result of owner requests.

d. Rent reasonableness determinations not made timely

HUD Handbook 7420.7, paragraph 4-18 requires, among other things, that the rent reasonableness determination be completed before a lease and HAP contract are executed.

As of December 4, 1985 there were 164 units that did not have a valid lease or HAP contract because the rent reasonableness determination had not been made. We found that 107 (62%) of the units had been inspected for lease renewal before August 1985, with 7 of the 107 inspected in 1984. We attribute this problem to the lack of internal controls and more specifically the lack of management oversight of the tenant reexamination process.

Auditee Comments

Auditee officials concurred with the finding.

Recommendations

We recommend you require the BHA to:

1. Develop and implement controls to ensure rent reasonableness determinations are made timely; and
2. Immediately complete all the overdue rent reasonableness determinations.

e. Quality control inspections not made

The BHA was not making required quality control reinspections. Handbook 7420.7, paragraph 5-12.b. states:

"In order to ensure that PHA inspections are adhering to the Housing Quality Standards and are providing consistent determinations, the PHA must establish procedures for reviewing the completed inspections.

The reinspection by a supervisor of a random sample of approximately 5 percent of the approved units is required, with a larger sample used if inconsistencies are found."

BHA personnel told us reinspections by a supervisor are made only if an owner or tenant complained about an inspection.

In our opinion, these inspections would be beneficial in reducing the number of units where owners are not making required repairs timely (Finding 1).

Auditee Comments

Auditee officials concurred with the finding.

Recommendation

We recommend you require the BHA to comply with the requirements for quality control reinspections.

Berkeley Housing Authority
Section 8 Existing Housing Program

Schedule of Housing Assistance Payments Which
Should Have Been Abated
(June - November 1985)

<u>HAP</u> <u>Contract</u> <u>Number</u>	<u>Date Unit</u> <u>Failed</u> <u>Inspection</u>	<u>Month</u> <u>Abatement Should</u> <u>Have Started</u>	<u>No. of</u> <u>Months</u> <u>Through</u> <u>November 1985</u>	<u>BHA</u> <u>Portion</u> <u>of Rent</u>	<u>Total</u> <u>Amount</u> <u>(Column</u> <u>4 x 5)</u>
3146	7-15-85	Sep	3	\$ 95	\$ 285
6116	7-10-85	Sep	3	278	834
6397	6-27-85	Aug	4	332	1,328
3002	8-5-85	Oct	2	295	590
3003	7-31-85	Sep	3	447	1,341
3004	9-21-85	Nov	1	257	257
3065	6-12-85	Aug	4	304	1,216
3097	7-29-85	Sep	3	213	639
4048	5-15-85	Jul	5	193	965
4060	8-26-85	Oct	2	344	688
4075	4-29-85	Jun	6	224	1,344
4078	5-28-85	Jul	5	311	1,555
4086	6-11-85	Aug	4	186	744
4096	6-26-85	Aug	4	330	1,320
4098	6-10-85	Aug	4	154	616
4149	7-29-85	Sep	3	293	879
6239	7-18-85	Sep	3	241	723
6446	6-25-85	Aug	4	327	1,308
7768	5-6-85	Jul	5	63	315
7987	6-27-85	Aug	4	154	616
7992	6-25-85	Aug	4	247	988
8385	5-8-85	Jul	5	496	2,480
8594	5-6-85	Jul	5	85	425
8595	5-13-85	Jul	5	146	730
9039	6-10-85	Aug	4	202	808
9157	7-18-85	Sep	3	39	117
9195	4-30-85	Jun	6	430	2,580
9278	9-10-85	Nov	1	258	258
9317	5-8-85	Jul	5	301	1,505
9325	7-8-85	Sep	3	401	1,203
9328	5-4-85	Jul	5	240	1,200
9348	5-13-85	Jul	5	359	1,795
9363	7-29-85	Sep	3	214	642
3105	4-25-85	Jun	6	260	1,560
3125	6-11-85	Aug	4	245	980

Berkeley Housing Authority
Section 8 Existing Housing Program

Schedule of Housing Assistance Payments Which
Should Have Been Abated
(June - November 1985)

HAP Contract Number	Date Unit Failed Inspection	Month Abatement Should Have Started	No. of Months Through November 1985	BHA Portion of Rent	Total Amount (Column 4 x 5)
4133	4-23-85	Jun	6	206	\$1,236
4138	6-11-85	Aug	4	481	1,924
6208	5-21-85	Jul	5	480	2,400
6211	6-27-85	Aug	4	219	876
6231	6-13-85	Aug	4	\$175	700
6443	5-23-85	Jul	5	335	1,675
6513	8-21-85	Oct	2	209	418
7003	7-25-85	Sep	3	230	690
7172	7-11-85	Sep	3	303	909
7194	9-5-85	Nov	1	322	322
7283	9-5-85	Nov	1	201	201
7296	9-3-85	Nov	1	271	271
7355	5-6-85	Jul	5	295	1,475
7418	7-1-85	Aug	4	356	1,424
7836	6-26-85	Aug	4	77	308
7849	7-2-85	Sep	3	243	729
7851	7-24-85	Sep	3	143	429
7853	7-31-85	Sep	3	395	1,185
7860	7-22-85	Sep	3	330	990
7869	7-22-85	Sep	3	167	501
7870	7-25-85	Sep	3	553	1,659
7991	6-17-85	Aug	4	220	880
8208	8-5-85	Oct	2	322	644
8251	4-23-85	Jun	6	151	906
8586	6-4-85	Aug	4	393	1,572
8603	5-14-85	Jul	5	226	1,130
8646	7-10-85	Sep	3	293	879
9014	5-16-85	Jul	5	177	885
9032	7-22-85	Sep	3	199	597
9070	9-3-85	Nov	1	216	216
9166	8-15-85	Oct	2	179	358
9376	5-9-85	Jul	5	241	1,205
3008	9-11-85	Nov	1	610	610
3054	8-29-85	Oct	2	468	936

Berkeley Housing Authority
Section 8 Existing Housing Program

Schedule of Housing Assistance Payments Which
Should Have Been Abated
(June - November 1985)

<u>HAP</u> <u>Contract</u> <u>Number</u>	<u>Date Unit</u> <u>Failed</u> <u>Inspection</u>	<u>Month</u> <u>Abatement Should</u> <u>Have Started</u>	<u>No. of</u> <u>Months</u> <u>Through</u> <u>November 1985</u>	<u>BHA</u> <u>Portion</u> <u>of Rent</u>	<u>Total</u> <u>Amount</u> <u>(Column</u> <u>4 x 5)</u>
3109	5-6-85	Jul	5	\$294	\$1,470
4081	5-14-85	Jul	5	238	1,190
4088	5-30-85	Jul	5	264	1,320
4092	5-14-85	Jul	5	252	1,260
6214	5-29-85	Jul	5	189	945
6216	6-13-85	Aug	4	271	1,084
6224	5-30-85	Jul	5	148	740
6237	7-18-85	Sep	3	203	609
6249	6-13-85	Aug	4	376	1,504
6254	7-31-85	Sep	3	231	693
6442	5-29-85	Jul	5	333	1,665
6450	6-13-85	Aug	4	309	1,236
7106	5-2-85	Jul	5	221	1,105
7136	6-12-85	Aug	4	171	684
7148	9-10-85	Nov	1	241	241
7314	9-9-85	Nov	1	348	348
7435	5-1-85	Jun	6	289	1,734
7550	6-13-85	Aug	4	497	1,988
7780	5-22-85	Jul	5	231	1,155
7813	5-8-85	Jul	5	328	1,640
7868	8-8-85	Oct	2	155	310
7960	5-15-85	Jul	5	149	745
7986	5-14-85	Jul	5	189	945
7997	6-11-85	Aug	4	161	644
8352	9-9-85	Nov	1	195	195
8398	9-11-85	Nov	1	343	343
8584	9-12-85	Nov	1	166	166
9008	5-28-85	Jul	5	360	1,800
9016	5-21-85	Jul	5	290	1,450
9125	9-12-85	Nov	1	305	305
9158	6-17-85	Aug	4	301	1,204
9277	8-5-85	Sep	3	155	465

Total \$97,157

Administrative Fee Applicable to Above Units

6/85 - \$560 x 8% x 6 months

7/85-11/85 - \$560 x 7.65% x 364 months

\$ 268.80

15,593.76

\$15,862.56

Berkeley Housing Authority
Section 8 Existing Housing Program

Schedule 2

Schedule of Tenants not Reexamined Annually

<u>Contract Number</u>	<u>Date of Last Reexamination</u>
9130	4/9/80
8352	10/8/81
7889	10/16/81
6022	10/22/81
8536	8/26/82
6364	9/14/83
6470	9/26/83
3079	10/14/83
6455	10/18/83
4110	6/12/84
6546	7/10/84
7046	7/26/84
8584	8/5/84
6514	8/21/84
9280	9/25/84
3140	9/27/84
6262	8/29/85
6454	12/85
7317	11/85

a/ No reexamination in 1982 or 1984
b/ No reexamination in 1983 or 1984
c/ No reexamination in 1983

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